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González Left Reeling As Budget Is Defeated

Spanish Leader Rejects Calls to Resign and Hold General Election

By Barry James
International Herald Tribune

For the first time in 13 years of constitutional democracy in Spain, Parliament threw out the government's budget bill on Wednesday, but an embattled Prime Minister Felipe González rejected opposition demands for him to step down immediately and call a general election.

Mr. González, his political fortunes dimmed by allegations he condoned an illegal dirty war against Basque separatist terrorists, took the first major parliamentary defeat of his career philosophically.

"It always hurts more when it is the first time," he told reporters, "but you have to know how to win and how to lose."

Mr. González said his government, however, was not "in agony," and that he saw no reason to alter his plans to call a general election next March. He added that there is no question of the government's stepping down while Spain holds the presidency of the European Union. Madrid holds the seat until the end of the year.

The budget defeat had been forecast, and financial markets took the news without wavering. Under the constitution, the government can remain in office by rolling over the 1995 budget.

Mr. González's erstwhile allies, the Catalan nationalists, helped bring about his 183 to 158 vote defeat by casting their lot with the main opposition Popular Party led by José María Aznar. But the Catalans made it clear they were not prepared to join the right-wing Mr. Aznar in a confidence motion that could have brought the government down.

The left opposition Izquierda Unida party also voted against the budget. Its spokesman, Rafael Riba, said that in any other European democracy, "a government without a budget would resign. That's in the democratic manual."

Like embattled leaders in France and Italy, Mr. González is wrestling with scandal, high unemployment and the need to whip public finances into shape in order to join the European single currency. His budget proposal was the toughest ever presented, aimed at reducing the public deficit from 5.9 percent of gross domestic product

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Japan's Bank Crisis Trickles Down in Asia

Institutions Pay More to Borrow, So They Lend Less in the Region

By Kevin Murphy
International Herald Tribune

HONG KONG — The effects of Japan's banking crisis are rippling across Asia, traders and analysts said Wednesday, as Japanese banks have begun to reduce lending because of the soaring cost of the money they themselves must borrow.

Growing doubts about the soundness of Japan's financial system are forcing even the biggest Japanese banks to pay high premiums to borrow money. That, in turn, is pushing Japanese banks to retreat from some Asian bond markets, leaving Asian companies with fewer, and more expensive, sources of finance.

"Confidence in Japanese banks is currently falling dramatically on the Euro-money markets, and many Japanese banks are unable to raise funds even if they pay a Japan premium," Richard Kon, an economist at Nomura Research Institute in Tokyo, said in a report to clients Wednesday.

The premiums are soaring because of the Daiwa banking scandal and because of the hundreds of billions of dollars in questionable loans held by Japanese financial institutions.

Without Japanese banks there to underpin growing Asian bond market, analysts and traders here warned, a continued sell-off will cause yields to rise, forcing some Asian companies to pay higher rates on the money they need for investment and expansion.

"I think the worries are spreading

more now," Philip Uglow, an economist at the money-market broker Union Discount Co., told Bloomberg Business News in London. "People are nervous of getting involved in Japanese paper, and there are signs they are having problems raising money even at premium rates."

With powerful balance sheets and strong credit ratings, many Japanese banks used to be able to borrow money more cheaply than their international rivals. Japanese banks were then able to aggressively bid up prices on bonds issued by high-quality companies they liked in South Korea and Thailand in particular.

But following Daiwa Bank's disclosure that a bond trader in New York lost more than \$1 billion in fraudulent trades, and the appearance of a "Japan Premium" on foreign loans to Japanese banks, it no longer pays Japan's banks to Asian securities at low yields. Shares in Daiwa Bank Ltd. tumbled Wednesday after a Japanese pension fund association said it would halt the flow of new funds to the bank. (Page 19)

The rates at which banks lend to each other are measured by the London interbank offered rates, known as Libor. A Japanese bank borrowing on the London money market a year ago would typically have paid as much as 10 basis points, or hundredths of a percentage point, more for its money than a European or U.S. bank.

Now, Mr. Uglow estimated that money-market firms such as his are charging

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ENDING AN OCCUPATION — Hundreds of Palestinians gathering in Jenin on Wednesday as Israel handed over the town to the Palestinian authority in the first stage of its withdrawal from the West Bank. Page 2.

Token Force Will Handle Russian Role In Bosnia

Unit Would Have Partial Autonomy In NATO Operation

By Joseph Fitchett
International Herald Tribune

PARIS — Seeking a formula to engage Russian troops in a NATO-led peacekeeping force in Bosnia, U.S. and Russian officials have agreed that the solution is for Russia to send only a symbolic contingent of combat forces, perhaps as few as 2,000, U.S. officials said Wednesday.

A Russian unit of that size, roughly regimental strength, would operate under its own officers, but it would be part of a larger multinational force commanded by General George Joulwan of the United States, the top military officer in the North Atlantic Treaty Organization.

The decision to make Russia's contribution only a fraction of the overall operation, which is expected to involve 60,000 troops, promises to finesse the sensitive issue of directly subordinating Russian troops to NATO commanders.

In addition, it eases the financial burden that Moscow would have to assume if it sent a larger force. There had been initial speculation that President Boris N. Yeltsin hoped to match the expected U.S. contribution of 25,000 troops as a way of maintaining Russian prestige for domestic purposes.

"They can't afford big, and we don't need big, so this idea seems like it could work out," a Clinton administration aide said.

The details are to be studied by Defense Secretary William J. Perry and Pavel S. Grachev, the Russian defense chief, in talks starting this weekend, according to officials in Washington.

For the Clinton administration, a Russian military role in Bosnian peacekeeping is important because Moscow enjoys special ties to the Serbian forces and because of the symbolic value of mobilizing a broadly international force.

But an overriding consideration has been the view in Washington that Congress will only approve a major U.S. deployment in Bosnia if military operations are under NATO command.

"It's important to have them there symbolically, for Yeltsin's sake and as reassurance for the Serbs," a Clinton aide said. "But it's even more important to ensure that Congress enables the White House to deliver on its promise to the allies that U.S. troops will be there, massively."

Mr. Yeltsin, supported by President Jacques Chirac of France, objected to the idea that Russian forces should be asked to subordinate themselves to NATO commanders in a way liable to be portrayed as a humiliation by nationalists in Moscow who are alarmed by NATO's plans for eastward expansion.

The proposal for a small Russian force will enable Mr. Yeltsin to maintain that his troops are operating under their own commanders' orders, while Mr. Clinton can assure Congress that U.S. troops are operating in a multinational operation under NATO command.

A similar formula was applied in the Gulf War, where overall operations were commanded by U.S. officers but forces from allied nations, in most cases, worked under their own officers. Only a few senior officers from each country joined the joint high command.

If this compromise holds for Bosnia, the Russian force would probably be based in Sarajevo so that it could be sent on specific missions for which it was specially suited.

"This way," a French official said, "they won't be put off in an operational corner repairing bridges or clearing mines."

For Mr. Yeltsin, it also avoids the potentially damaging situation in which Russia might seem to be ignored in the most important military operation in Europe since the end of the Cold War.

U.S. Gives Way to Japan on Accused Servicemen

By Nicholas D. Kristof
New York Times Service

TOKYO — Hoping to settle growing anger at crime by American soldiers in Japan, the United States agreed Thursday to hand over to the Japanese police American troops accused of murder or rape.

The concession is intended to defuse the passions provoked by the kidnap and rape of a 12-year-old Japanese girl last month, allegedly by three American servicemen.

The three men accused in the rape, who have not yet entered pleas, have perhaps affected Japanese-American relations more than anything else this year.

The incident has provoked rage and a growing campaign against the American military bases in Japan, especially on the southern island of Okinawa.

Both the Japanese and American governments are desperately trying to calm the fury before President Bill Clinton arrives in Japan in the middle of next month for a summit meeting.

The centerpiece of the meeting is supposed to be an agreement on the importance of the American-Japanese security relationship, but the public mood toward military cooperation has turned sour since the rape.

Ambassador Walter F. Mondale said in a

statement welcoming the agreement. "The United States will continue to work diligently with the government of Japan to ensure the effective operation of the U.S.-Japan security treaty, including issues related to the American military presence in Japan."

Mr. Mondale said the agreement "will strengthen even further cooperation between U.S. and Japanese authorities."

The agreement may not immediately diminish the demands for an American withdrawal from bases in Japan, but it perhaps will ease the furor that has arisen since the rape in Okinawa.

To many Japanese, it was galling that the

American suspects were kept on an American base until their indictment, when they were handed over to the Japanese authorities.

Still, the concession by the United States raises concerns about the legal protections afforded to American soldiers accused of crimes abroad.

South Korea has been demanding that the United States revise the procedures for handing over to the Korean police any troops suspected of crimes. Now South Korea is sure to press its demands even more. The agreement with Japan is based

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AGENDA

Graf Antes Up in Tax Case

BONN (Reuters) — The German tennis star Steffi Graf has deposited \$14.4 million with the authorities to cover taxes that investigators suspect she and her father Peter may have evaded, her lawyer said Wednesday.

The lawyer, Peter Danckert, said it had taken a substantial effort to track down her money in overseas accounts to deposit with the authorities.

Graf's father, who has handled her financial affairs throughout her career, has been in custody since August on suspicion of tax evasion. His 26-year-old daughter has undergone two lengthy interrogations.

Family lawyers have insisted the Grabs struck a deal with authorities in 1993 in the state of Baden-Württemberg agreeing on their tax liability.

Ambassador Walter F. Mondale said in a

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An 'Ice Maiden' Emerges From Andes Sacrifice

By John Noble Wilford
New York Times Service

NEW YORK — On an icy, 20,700-foot summit of the Peruvian Andes, archeologists have found the well-preserved frozen remains of a young woman who apparently had been sacrificed to the Inca gods about 500 years ago.

Her body was wrapped in finely woven wool, and she was wearing an elaborate feather headdress. Around her were rare ceramics and statuettes, artifacts of the religion that took her life on the sacred mountain.

Two more bodies were discovered at a slightly lower elevation of Mount Ampato in southern Peru. One of those was also female and was partly frozen. Little more than the skeleton remained of the third body, probably a male.

From these haunting scenes of ritual death, scientists expect to learn much more

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CHINA TRAGEDY — A mother with a baby weeping after an earthquake in southwestern Yunnan Province left 44 dead and 20,000 homeless. Page 4.

Heard the One About the Wedding? A Story Too Good to Be True

By Megan Rosenfeld
Washington Post Service

Some stories are just too good to spoil with the facts. Here's one: a big wedding, very lavish and stylish. At the reception, the best man gets up to make the toast. The groom hops to his feet and says he'd like to say something first:

Thank you all for coming, and for your lovely gifts. But I am going to honeymoon in Hawaii and the bride is going to Aruba, and when we come back the marriage will be annulled. And if you want to know why, look under your plates. In some versions, he says look under your chairs. In yet another version, he just holds up the under-your-plate or under-your-chair picture: the bride and the best man in what is called a "compromising position" in polite company. He leaves. Gasp. Fainting. But the party continues.

As with other urban myths (alligators in the sewer, people kidnapped for body parts, movie stars appearing in emergency rooms with gerbil troubles), many people swear this story is true. They heard it on the radio. They know someone who knows someone who was there. In some cases, they were there themselves.

But it didn't happen. One source said a friend heard this story at a hotel in New Hampshire while checking in to attend another wedding.

"I've heard that," said Gene Bryant, director of sales at the Clarion-Somerset Hotel in Nashua. "Just when you think you've heard everything, I'll ask someone on the banquet staff and call you back."

He called back. "It did not happen here," said Mr. Bryant. "But it did happen in New Hampshire. Someone on our staff heard it on the radio. I think it was KISS 108."

That would be WXKS in Medford, Massachusetts. Seems it has a morning show with a feature about weird weddings. Listeners call in to share.

A version of the tale was spread on the Internet, too, by someone who heard the best-man-and-bride story on a radio station in Chicago. In this version the groom had taped an 8-by-10 manila folder (note the precision of the details) to the bottom of every chair, directed the guests to open their surprise and waited for them to see the picture. He then turned to the best man and said "(Expletive) you," and then to the bride and said the same thing.

Then came a tip that this wedding took place at the

Glen Sanders Mansion in Scotia, New York, near Schenectady. A colleague's sister's housemate's nephew's wife's colleague heard it and swore it was true. The mansion is a premier spot for weddings in the Schenectady area.

"It did not happen," said Kimberly Kaminski, who has been delegated to handle these inquiries. "We've had over 300 calls about this. Five to 10 calls a day. Some people even say they were there! It came out of a project in a marketing class at Schenectady County Community College. They were doing an experiment in word of mouth travels."

Brring. Brring. "Thank you for calling Schenectady County Community College."

"We don't have any marketing classes this semester," said Carol Chiarella, chairman of the business and law department. "But there is one professor I can ask."

That was Toby Strianese, chairman of the hotel, culinary and tourism department. He had heard the story from his wife, who heard it on the radio. Then he heard it again from the dean's secretary, who heard it at a cocktail party. So he told the story in his class while his students were working on a marketing plan.

to illustrate how rumors get started and can hurt a business. There were two students who work at the Glen Sanders Mansion, and he asked them if the story was true. They said it wasn't.

"It's clearly an impossible story," said Mr. Strianese, who has worked in the restaurant business for 30 years. "Most people, if they think there will be a favor at the wedding, pick up the plate first thing to see if it's underneath."

"Also, who would have put the pictures under the plates? It would have to be the staff, because the plates are being put out. And a staff person would not have been able to resist looking at the picture and talking about it."

People love this story. They want to believe it. The Internet writer called it the Wedding Revenge story, emphasizing the retributive aspect of the groom going through with the ceremony, making the bride's parents pay for the huge reception for 300, and then wrecking the miscreants' reputations in front of all their nearest and dearest. Something so delicious just had to be true.

And Paul is dead.

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THE AMERICAS

Organized Labor Is Turning to New, Militant Leaders

By Peter T. Kilborn
New York Times Service

NEW YORK — Frustrated by declining wages and the erosion of political power, the nation's labor movement is turning this week to a new corps of leaders who say they are willing to adopt the tactics of civil disobedience and confrontation, largely abandoned in the 1960s.

In recent decades, even as union membership has shrunk along with inflation-adjusted pay, labor's leadership has tended to rely on policies and negotiation to carry the case of workers.

But on Wednesday, more than 1,000 delegates of the American Federation of Labor and Congress of Industrial Organizations, gathered in New York for their national convention, elected as president John J. Sweeney, who shut down the bridges to Washington last summer in a campaign to organize the janitors who clean a leading developer's office buildings.

Mr. Sweeney defeated Thomas R. Donahue.

the federation's longtime No. 2 official who had been serving as interim president, with about 56 percent of the vote.

A Sweeney-prepared convention resolution calling for training of 1,000 organizers a year, five times the current number, says, "We must first organize despite the law if we are ever to organize with the law."

Richard L. Trumka, president of the United Mine Workers and the Sweeney slate's candidate for secretary-treasurer, showed to his supporters a covention: "Something historic's about to happen! You are about to see corporate America's worst nightmare come true."

Linda Chavez-Thompson, a vice president of the American Federation of State, County and Municipal Employees, who is the slate's candidate for executive vice president, told a news conference, "I like to get arrested."

And she recently was, while demonstrating on behalf of hotel workers in San Francisco.

The willingness to take a page from labor's

legacy of the 1930s and 1940s, when workplace warriors like Samuel Gompers and Walter Reuther helped lift workers into the middle class, reflects a seething frustration with a Congress that labor officials see as indifferent to their members' concerns and with a declining influence of unions generally.

Whether the new approach can change the fortunes of organized labor is a wide-open question.

Unions retreated from their earlier strategy of confrontation after a number of them had acquired an image of arrogance, corruption and even violence that the federation's departing leadership celebrates having largely erased.

But unions are so small now, with only 15.5 percent of the work force — half the level of the 1950s — that mighty corporations can routinely block their organizing drives and chip away at wages with little fear of strikes.

In any case, the voices of caution are fewer and fewer among the union leaders gathered in New

York. Richard Bensinger, who runs the federation's worker-organizing institute, said it was gearing up to fight companies that discharge workers for union organizing. His institute is about to get a fivefold increase in funds, to \$20 million a year.

"We're going to react against that corporation in a 100-fold, magnified way," Mr. Bensinger said.

"We should sit down. Agree to spend a day in jail on behalf of the first worker who is fired. We have to send a message that this is a social movement. We're a moral force in society. It seems to me we should do what is morally right."

Joel Ochoa Perez, a machinists' union organizer from Southern California, said: "This is the first time I see organizing put right at the top of the agenda."

"For the first time," Mr. Perez said, "the AFL-CIO is not just talking about organizing but about ways to organize."

POLITICAL NOTES

Perot Makes Ballot in California

LOS ANGELES — Ross Perot said his new political party had signed up more than enough members to achieve its first and most difficult goal — getting on the 1996 presidential ballot in California, the nation's richest treasure of electoral votes.

"It's done," the Texas billionaire said as volunteer sign-up teams headed for registrar offices across the state to meet Tuesday's 5 P.M. deadline for turning in the last of the required 89,007 signatures.

California elections officials said they had received what appeared to be more than the requisite number of signatures, perhaps in excess of 100,000. But they added that they would need several days to tally and verify them.

"If everything is in line, and we'll just have to see, we might be able to make it official by the weekend," said Beth Miller, an aide to Secretary of State Bill Jones, the top California elections official.

If Mr. Perot can now get on the fall ballot in the 49 remaining states, it could be bad news for the 1996 Republican presidential nominee. Pollsters say that Perot backers now tend to be more Republican than Democratic and that a third-party candidate well might split the Republican vote. (NYT)

Farrakhan Revels in Limelight

CHICAGO — In the week since hundreds of thousands of black men heeded his call and poured into Washington for a day of prayer and protest, Louis Farrakhan of the Nation of Islam has begun to moderate his language in an apparent campaign to broaden his political support.

In a speech in Chicago on Monday night to hundreds of Muslims and non-Muslims packed into his ornate mosque on the South Side, Mr. Farrakhan said he would try to become more statesman-like in his language and behavior because the march had elevated his stanze and his responsibility.

"You can say things in the basement that you can't say when you're on the first floor," he said. "As God starts taking you up, you have to practice more statesmanship."

Whether Mr. Farrakhan is moving closer to the political mainstream, or merely changing his message, is unclear. He has reached out before, particularly to Jews who felt alienated by his comments, only to plunge into new controversy. In any case, the political fallout and broad debate touched off by the march have broadened his visibility well beyond his core followers. (NYT)

Whitewater Subpoenas Prepared

WASHINGTON — Laying the groundwork for a new round of hearings early next month, the Senate Whitewater committee began Wednesday to prepare broadly worded subpoenas for information from President Bill Clinton, Hillary Rodham Clinton and many significant and lesser known figures in the wide investigation.

The subpoenas, to be issued Thursday, followed the emergence of new evidence that Republicans said demonstrated that Mrs. Clinton was involved in the decision to prevent investigators from poring over the files of Vincent W. Foster Jr., the deputy White House counsel, after his suicide two years ago.

The committee concluded hearings on the handling of Mr. Foster's files two months ago, but the new evidence — telephone records from two of Mrs. Clinton's closest advisers — prompted a decision by the Whitewater committee's chairman, Senator Alfonse M. D'Amato, to reopen those proceedings, even as the committee also moves into other areas.

Senior Justice Department officials have testified that investigators were initially told that they would be permitted to look at Mr. Foster's files to search for clues of his death but that the agreement was changed at the last minute by Bernard W. Nussbaum, the White House counsel.

Mr. Nussbaum has said that there was no agreement and that he alone made the decision on July 22, 1993, two days after Mr. Foster's death to limit access to the files. The White House has also said that Mrs. Clinton played no role in Mr. Nussbaum's decision. (NYT)

Quote/Unquote

Senator Phil Gramm of Texas, attacking Senator Bob Dole at a dinner for Republican conservatives, for changing his positions too often: "I think we need a leader who knows who he is and knows what he believes."

Mr. Dole, Mr. Gramm's rival for the party's presidential nomination next year, said: "Let's get out and beat Bill Clinton and not beat up on each other." (AP)

Away From Politics

• Four black students were charged in Rock Hill, South Carolina, for beating a white schoolmate who criticized an interracial couple. Authorities were seeking two more suspects. (AP)

• A sixth FBI agent has been suspended for his part in the Ruby Ridge shoot-out as federal prosecutors stepped up their investigation of whether officials covered up their roles in the deadly 1992 siege. George Michael Baird, a supervisor in the Salt Lake City office, was put on administrative leave with pay until the investigation is complete. (AP)

• Prostitutes on Manhattan's Lower East Side led the police to a 39-year-old security guard who was suspected of a series of sexual attacks that left two women dead and four injured, the police said. James Jones, 39, was arrested after two women said they recognized him from sketches distributed by the police. (NYT)

• The pilot of an American Eagle commuter plane was to blame for a crash that killed 15 people in North Carolina in December, the National Transportation Safety Board said. The pilot, Michael P. Hillis, incorrectly assumed that an engine had failed, the board said. He then failed to follow proper procedures for engine failure and stall recovery. The plane crashed as it circled for a second landing attempt. The pilot, co-pilot and 13 of the 18 passengers died. (AP)

RALLY



Prime Minister Jean Chrétien waving to the crowd at a rally in Montreal, where he pleaded for Canadian unity.

as its leaders argued over whether to make a last-minute offer of constitutional reform that would recognize Quebec as a distinct, French-speaking society. About 82 percent of Quebecers are French-speaking.

Mr. Chrétien, who reworked his schedule this week to concentrate on the referendum, took a halfway approach in his speech. He made no specific offer but suggested Quebecers could get the kind of consu-

tional changes they want if they rejected separation.

His speech was notable for its serious tone and strict appeal to reason, and it contrasted sharply with the passionate campaign rhetoric of the separatist firebrand Lucien Bouchard, who stir the emotions and pride of French-speaking Quebecers and is credited with separatist upturn. Mr. Chrétien will have at least one more opportunity to sway

votes with a televised address Wednesday night. The separatists have been offered equal time to reply.

A separatist victory would not trigger immediate independence for Quebec, but that would be the eventual result.

The separatists have offered to negotiate with Canada for up to a year on a new economic and political partnership, but with the option of unilaterally declaring independence at any

(LAT, AP)

On Campuses, Racial Divide Becomes More Shri

By Peter Applebome
New York Times Service

felt the need to take out a full-page ad in the campus newspaper. The *Daily Trojan*, opined, "Speak Out Against Bigotry and Hatred."

"It's really disappointing," said Shadi Rassouli, a freshman at Emory University in Atlanta who identified herself as Persian and said she had been stunned by how much racial division she found on campus. "It's past disappointing. It's shocking. This is a college campus; it's not a bunch of ignorant hillbillies. But you feel as if someone turned the clock back 30 years."

Already these events have occurred in a school year that is only a few weeks old:

• At Columbia, many students were outraged by a column written by a black student in the campus newspaper denouncing Jewish critics of the Million Man March, saying, "Lift up the yarmulke and what you will find is the blood of billions of Africans weighing on their heads."

• At the University of Southern California, a flyer circulated on campus after the Simpson verdict read in part: "I need to alert all the whites" about "the niggers" and continued: "Take up arms and defend yourselves, my brothers."

• At Kent State University in Ohio, black students said they were subjected to racial slurs by whites angry over the Simpson verdict.

Many students said the reaction to Mr. Simpson's acquittal by a predominantly black jury on charges that he murdered his former wife and her friend, and to the

Million Man March, have only highlighted differences that existed before and that exist in the rest of the society as well. And extremely inflammatory incidents remain relatively rare.

In interviews, blacks generally said that the outrage of whites over the Simpson verdict and their tendency to view the Million Man March simply in terms of Louis Farrakhan's involvement was evidence of how ingrained white racism is.

Throw in the diffuse feelings and lurking grievances about affirmative action in college admissions, scholarships and hiring, and the overall picture of racial relations on campus is that of one that seems to get more brittle as time goes by.

"I'm afraid race relations have gone down the tubes," said Brian Dunn, a white sophomore at Santa Monica College in California.

Some students, blacks and whites, said they saw something positive in the way racial feelings have been brought into the open. And many said that, despite the tendency of different ethnic groups to flock together, most students relate to one another with a cordial, if distant, amity.

"Racism, if you brought it up before, it would seem like you were trying to incite things," said Marlen Whitley, a 19-year-old black student at the University of Texas. "But with the O.J. trial and the Million Man March, it's almost like you don't have a choice but to talk about it."

Under a law passed by the Congress in March to try to create a conciliatory environment, all pending arrest warrants against Zapatista militants were lifted for as long as the negotiations continued.

Warrants had been announced a month earlier by Mr. Zedillo, who identified Mr. Yanez as No. 2 on the wanted list of Zapatistas during an army offensive against the rebels.

The Interior Ministry, trying to calm the confusion about its policies, called on the Zapatistas to "maintain their pro-dialogue attitude" and played down the arrest as a police action unrelated to the peace talks. The government said it had not violated the temporary amnesty law because Mr. Yanez was arrested on charges separate from those that were suspended.

After five days of often-rambling discussions, the two sides adjourned the Chiapas talks Sunday with a consensus that Mexico's Indian people should have more autonomous self-government. But negotiations on achieving this are weeks away.

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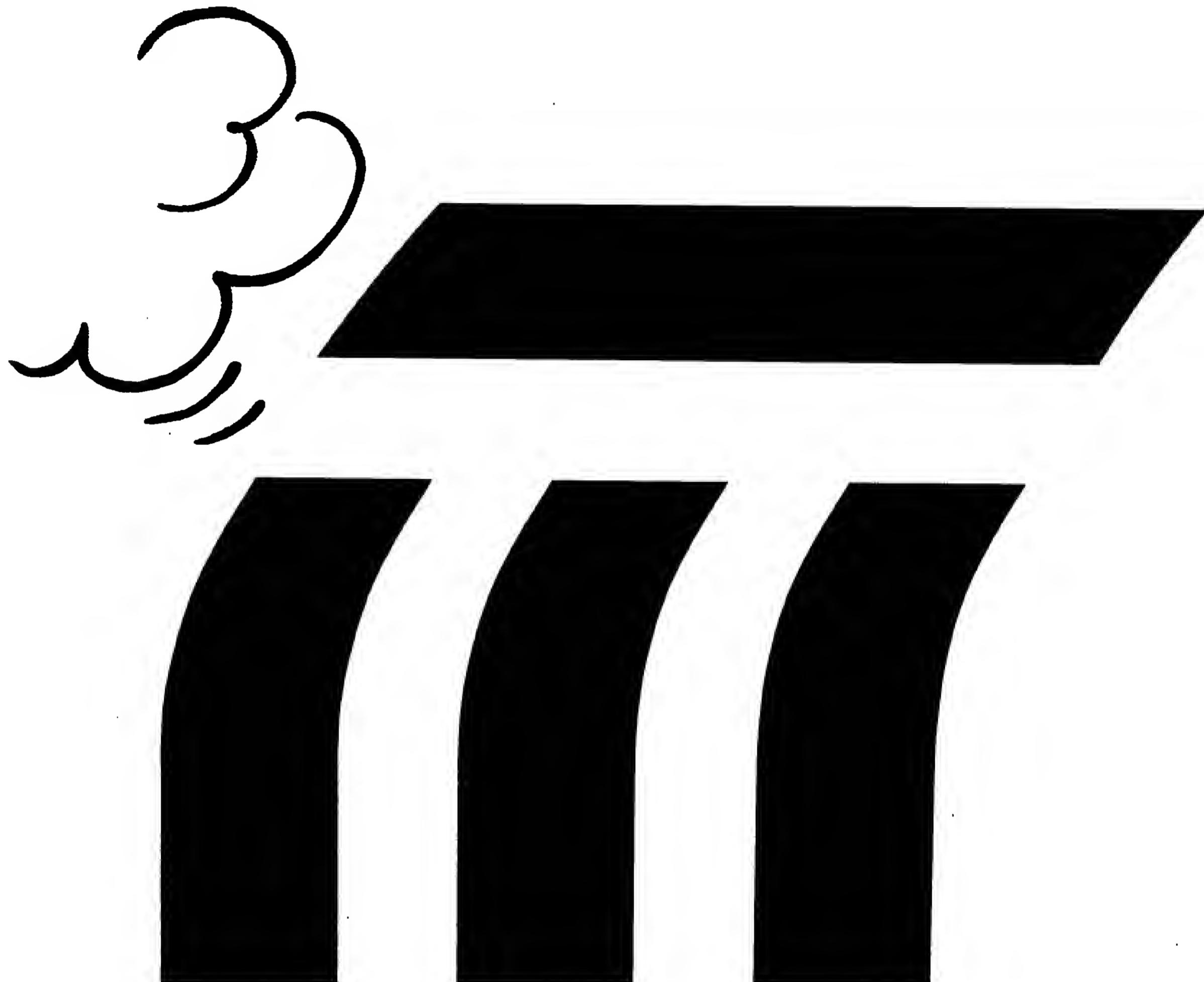
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EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Russia, Not Yeltsin, Is Key

Look at Boris Yeltsin as a politician running for re-election. That best explains the Russian president's performance at Hyde Park with Bill Clinton. He arrived having just humiliated his loyal foreign minister, Andrei Kozyrev, to get right with Communist and nationalist critics of his cooperation with America. He then put on a demonstration of his personal prowess in foreign policy, coming on for the Russian public as the man in charge, the one who can make the American connection work. The gritty problem of the command of Russian peacekeeping forces in Bosnia he deftly handed off to a professional tough guy, Defense Minister Pavel Grachev.

Not a day as bad as he proclaimed, but not a bad day for him, politically speaking either. Bosnia was the necessary centerpiece. The challenge for the United States remains to keep NATO in command — otherwise Mr. Clinton would have no hope of getting American troops there — but meanwhile to find a noninterfering but respectably serious role for Russian forces.

As specific problems go, this is not such a big one. The two presidents were on the right track in assigning it to the next echelon. It is perfectly obvious that the United States has the diplomatic mo-

mentum up in Bosnia and that Russia, dependent on Washington to make a place for it, does not wish to take the rap for spoiling the small hope that exists. A resolution of the command issue, providing a first example of Russian-American cooperation on European security, would also ease the far larger and persisting issue of NATO expansion.

Russia faces parliamentary elections in December and presidential elections in 1996. President Yeltsin has even more pressure on him than does President Clinton to show he can uphold his country's interests. Any objective Russian is bound to realize that a hard nationalist line minimizing relations with Washington is a false option, a dead end. Yet any responsible American has to realize that Russia — not Mr. Yeltsin, who is just one man — having come down so far and so fast in command, needs careful handling.

With or without Mr. Yeltsin — for that matter with or without Mr. Clinton — things are bound to be ragged between the two countries for an extended time. That's an argument for a steady long-term approach that asserts the American interest, invites Russian cooperation but does not artificially force issues of prestige upon uncertain Russian leaders.

—THE WASHINGTON POST.

Symbolic Justice in Chile

The retired General Manuel Contreras Sepulveda has finally gone to prison, five months after Chile's Supreme Court ordered him there for the 1976 car-bomb murders in Washington of a leftist Chilean official, Orlando Letelier, and Ronni Moffit, his American assistant. Mr. Contreras headed the secret police during the first, most murderous years of General Augusto Pinochet's dictatorship. His incarceration is a relief, but now Chile's struggle to control the military shifts to other fronts.

In 1993, a Chilean court convicted Mr. Contreras and his second in command, Brigadier General Pedro Espinoza Bravero, of ordering the killing of Mr. Letelier. The Chilean Supreme Court confirmed the verdict earlier this year. After a few days of defiance, Mr. Espinoza gave himself up. But Mr. Contreras used every argument he could to stay out of prison.

His legal contortions would have been comical had they not received the support and collaboration of the Chilean military, still led by General Pinochet. Chile always prided itself on being one of the few Latin American nations that did not have to

worry about military coups. The Pinochet dictatorship disproved that, but many Chileans still hoped that once out of power, the military would return to its constitutional habits. Mr. Contreras and his backers showed that once acquired, a taste for power is not easily lost.

President Eduardo Frei was able to enforce the court's sentence against Mr. Contreras only after building him a special prison, and offering the military a pay hike for soldiers and a cutoff date for most remaining trials of military officials accused of human rights violations. Mr. Frei still does not enjoy the power to dismiss General Pinochet. The only reason Mr. Contreras was tried at all was because the United States pressed the issue.

Mr. Contreras and Mr. Espinoza are the only senior military officials punished for the thousands of deaths and disappearances of the 17-year dictatorship. Their incarceration provides the symbolic justice victims and their families have dreamed of for years. But it is also a reminder that symbolic justice is the only justice Chile will get.

—THE NEW YORK TIMES.

An Independent Quebec?

Quebec's voters once again wonder whether they would not be happier as a sovereign country, independent of the rest of Canada. The referendum is to be held on Monday. But the people of Quebec are not the only ones with a stake in the results.

The U.S. government has been trying to keep a delicate balance when it talks about the referendum. As politics, it is an internal issue for Canadians and none of their neighbors' business. But as economics, it could have a substantial impact on both sides of the border.

Leaders of the Quebec separatist movement have been airily assuring their listeners that the effect on business would be minor. They assume that an independent Quebec would automatically continue to be covered by all the trade agreements that now bind the United States and Canada. On the contrary, an independent Quebec would automatically be cut off from those agreements. For reasons that appear to be imperfectly understood in Quebec, it might take a long time — a matter of years — to renegotiate them.

Almost one-fourth of all U.S. exports go to Canada, twice the volume to any other country. Any disruption is going to hurt U.S. exporters. The new North American Free Trade Agreement is the most important of the legal instruments that protect and promote this enormous flow of goods and money.

If Quebec were to become genuinely independent, it would no longer belong to NAFTA. Its goods entering the United States would have to pay higher tariffs. The assurances on investment would no longer pertain. Parts made in Quebec would probably no longer qualify as North American content under the rules for automobiles entering this country. While the administration would certainly support the legislation admitting Quebec to the free trade area, the legislation would revive the smoldering quarrels over NAFTA and would become entangled in a fierce struggle having little to do with Quebec and everything to do with American domestic politics.

—THE WASHINGTON POST.

Other Comment

U.S. Troops in Okinawa

By the time President Clinton arrives in Okinawa for the Nov. 16 opening of the Asia Pacific Economic Cooperation forum, the Japanese trial of three U.S. servicemen charged with raping a 12-year-old girl on Okinawa, set to begin Nov. 7, probably will be over. But the political fallout from that case seems sure to vex U.S.-Japan relations for a long time.

Last weekend saw the largest protest rally in Okinawa's history, a sign of outrage over the rape and of long-term resentment over the large and, say Okinawans, excessively intrusive U.S. military presence. It's clear that change is coming in a U.S. presence that dates back 50 years to the conquest of Okinawa in the final months of World War II. Defense Secretary William J. Perry says Washington is ready to consider a reduced U.S. role if Japan requests it. Mr. Perry believes, and most Japanese probably agree, that the United States and Japan share a strategic interest in keeping U.S. troops in Japan. But the disappearance of the Soviet threat, the basis for the mutual security pact, requires a fresh justification.

—Los Angeles Times

Sacred Blue! The French President Spoke English

By Jim Hoagland

NEW YORK — Cher Philippe: History was made here tonight mon vieux. And you French may never be the same.

It is only a few minutes since Jacques Chirac did something that many Americans thought they would never see the head Frenchman do in public. But there the French president was, on American television, giving a lengthy interview.

Totally in English. Fluid, clear English. Sacred. George, Georges Clemenceau and Diderot simultaneously turning in their graves? Or is that sound the French Academy shutting shop, abandoning its campaign to keep the French language pure and dominant by stamping out of French dictionaries and public discourse creeping Americanisms?

This is change on the hoof. Anyone who has lived in France — or just tried to get a decent table from a maître d' there — knows how disdainful your countrymen can be of *les Rosbifs* (les British if you prefer) and us *Ricains* for not learning the world's most elegant language. We know that your language is a fundamental part of your national identity.

That is why Mr. Chirac's appearance on the Larry King interview show will

come as a shock for America's Francophiles and Francophobes alike. Mr. Chirac confounded friend and foe by televisions acknowledging that the world cannot live by French alone.

You asked that I write with American impressions of Mr. Chirac's visit here for the United Nations' 50th anniversary. For history, what Mr. Chirac said to Mr. King's viewers will be dwarfed by the linguistic medium in which he said it.

Admittedly, the trend of the French speaking English started two decades ago as world trade and mass tourism became important to French commerce and rock music became important to French youth.

But your politicians seemed to lag behind society at large. Valéry Giscard d'Estaing, elected president in 1974, spoke fluent English in private. But I recall that he spoke French in interviews and public appearances. I don't know that his more traditional and literary-minded successor, François Mitterrand, ever uttered a word of English to anyone.

Mr. Mitterrand once fixed a steely,

disapproving glare on an aide who suggested that he learn a few phrases of English to soften up Margaret Thatcher at the beginning of a meeting. The aide could not tell whether learning English or charming the Iron Lady struck Mr. Mitterrand as the more absurd idea.

But in Mr. Chirac, 62, you have a president who spent a summer as a student in the United States and who, happily, has never gotten over it.

Ronald Reagan told every Frenchman he ever met the story of his one jeep trip through Normandy. Mr. Chirac takes enormous pride in recounting a summer spent as a student at Harvard, a soda jerk at Howard Johnson's and a forklift operator in a beer factory. At lunch with a few reporters here, he sipped a Michelob while the waiters poured wine for the scribes.

For this American, this French president has an amazing enthusiasm for being one of the guys. He says what he thinks, even if it contradicts what he has said a few minutes before. These are refreshing traits. But they may also help explain why Mr. Chirac's government has plunged precipitously in French public opinion polls since his election in May.

Mr. Chirac's one-of-the-guys manner serves to demystify the French presidency, which de Gaulle and his successors had elevated to Olympian heights. Speaking English to Americans is also a sign of putting modern realism above historic grandeur. But such popularization takes away protective guardrails for a national leader — as Jimmy Carter established in an American context.

When Mr. King quizzed Mr. Chirac on the international controversy over French nuclear testing, Mr. Chirac asserted that Chancellor Helmut Kohl of Germany and other European heavyweights supported France's stand. That is something Mr. Kohl has carefully avoided saying to his own nuclear-allergic electorate. Moreover, Mr. Chirac called Mr. Mitterrand's decision to stop testing in 1992 "political" and "irresponsible," criticisms he avoided in a French television interview on the same subject.

But those small pings did not rob American ears of the pleasure of the moment. Now, if the head waiter at Taillevent or Maxim's could be made to follow the presidential example ...

Washington Post Writers Group.

U.S. Troops Are Going, but What's American Policy on Bosnia?

By Richard Perle and Paul Wolfowitz

WASHINGTON — Recent administration points on the decision to send American troops to Bosnia were curiously incomplete: The section entitled "What are the objectives?" was blank. Sections outlining the number of troops to be sent, the command arrangements and the duration of the deployment were complete; those issues apparently settled.

Logically, one would expect the objectives of a military deployment to be clearly defined first. But there is little logic, and less clarity, in administration thinking about Bosnia.

If the president has his way, 20,000 American soldiers will be sent to Bosnia on a mission that has not yet been defined, to implement an agreement that does not yet exist.

They might go to support a "peace" arrangement that is stable and lasting, one that provides a multi-ethnic Bosnia with boundaries the Bosnians themselves can defend. But the agreement now being worked out is far more likely to be unstable and short-lived, leaving Bosnia a Muslim ghetto with indefensible borders. Secretary of State Warren Christopher says our boys will return home within a year, but he doesn't say how they might be safely withdrawn without risking the collapse of any agreement they are sent to Bosnia to protect.

Without knowing the details of the agreement American troops would be sent to enforce, neither the president nor Congress can judge whether sending them is foolish or wise, whether the benefits outweigh the risks. Sometimes, peacekeeping missions are prudent and wise, as in the case of the U.S. presence in Sinai. But what makes that mission prudent — and fundamentally different from Bosnia — is that both Israel and Egypt want a stable peace and welcome U.S. monitors, the terms of the agreement are clear and, most of all, the agreement is enforced fundamentally by a stable balance between the parties, not American troops.

There has been significant progress in Bosnia in the past several weeks. But it is NATO air power, not peacekeepers, and, more importantly, the effectiveness of Croatian and Bosnian forces on the ground, that have been the key to the progress that has brought this about. Indeed, that progress has come not because of peacekeepers but in spite of them.

Vacillation and weakness have marked American policy in Bosnia under both Presidents Bush and Clinton. We have participated in a shameful embargo that kept Bosnia from defending itself. We supported "safe" zones and "no-fly" zones and then stood by while people in "safe" zones were massacred, sometimes bombed by Serb planes violating the "no-fly" zones. Those zones are being violated now, even as we try to fashion a "peace" that will require potential victims to accept assurances that outside forces will protect them.

Before committing peacekeepers, whether NATO or American, to Bosnia, the administration needs first to achieve a fair, stable and uncoerced peace on the basis of which it can then — and only then — define their mission. There is still time for the administration to develop a clear and workable plan before confronting Congress with an impossible choice between a foolhardy deployment and repudiation of an American president.

Most of all, the administration needs to clarify the potentially contradictory relationship between peacekeepers and the more effective underpinnings of a stable agreement: the ability of the Bosnians to defend themselves, backed up perhaps with the threat of NATO air power. After more than 2½ years of claiming to deplore the embargo against Bosnia — while enforcing it all the same — vague hints that it will be lifted with a peace agreement are neither adequate nor convincing.

Congress has correctly made the Bosnians' ability to defend themselves a central concern of U.S. policy. This is the right time to press this issue. U.S. peacekeepers should not be sent to protect Bosnians who continue to be rendered helpless by an arms embargo that an ill-conceived peacekeeping arrangement might only reinforce.

Richard Perle is a fellow at the American Enterprise Institute and former assistant secretary of defense. Paul Wolfowitz is dean of the Johns Hopkins University Nitze School and a former undersecretary of defense. They contributed this comment to The Washington Post.

By Thomas L. Friedman

CAIRO — There was a very revealing cultural flap here last month.

Magda Roumy, the immensely popular Lebanese singer who first came to fame crooning in Egyptian Arabic in Cairo in the 1980s, decided not to take part in the Cairo International Song Festival.

She and her band said they weren't coming to Cairo because, well, it was no longer hip — no longer the Big Apple of the Arab world.

The Egyptian musicians' union was so insulted it voted to ban her from performing in Egypt.

It's been that kind of year for Egypt. Cairo didn't get no respect anymore. King Hussein made peace with Israel and didn't even bother to call — not a card, not a letter. The Egyptians had to learn about it from the Israelis.

Last year, Saudi Arabia flogged an Egyptian doctor working there, after he complained that a Saudi schoolteacher had sexually abused his son. Egyptians were outraged, but President Hosni Mubarak couldn't retaliate because of Egypt's financial dependence on Riyadh.

Egypt has long considered itself the leader of the Arab East. This was due to its size, its mil-

itaristic power, its rich literature, newspapers, theater and film industry, which dominated Arab culture, and its historical legacy as the pathbreaker of reform for the Arab world. U.S.-Soviet competition for Egypt's allegiance in the Cold War, coupled with Egypt's role in promoting Arab-Israeli peace, further enhanced Cairo's geopolitical significance. But today the Cold War is over,

That is Egypt's nightmare. That's why Cairo's Al Shaa'ab newspaper complained that while Egypt would be proposing 75 investment projects at next week's Arman Economic Summit, "Jordan made a list of 250 projects, mostly for bilateral cooperation with the Zionist entity."

By all rights, Egypt should be the China of the Mediterranean, in terms of attracting foreign investment, but it's not.

Egypt has a huge domestic market, a labor force whose average wage is 5 percent of the average in Europe, and 13 universities pouring out thousands of talented engineers, doctors, and technicians. But the best of them have to go abroad to find work.

I went to a computer fair here last week. It was packed with young Egyptians. You can feel this country wants to go somewhere, but no one is leading the way.

Mr. Mubarak deserves credit for the stability he has brought to Egypt. But stability is not enough.

Mr. Mubarak has failed to provide any blueprint for making Egypt more competitive, democratic, free-market-oriented, and open to the world, and so stability has hardened into stagnation.

But there is another center emerging along another river —

the Jordan River, where the Zionists, the Jordanian Hashemites, and the Palestinians are coming together in a loose economic federation that, despite all its contradictions, is going to radiate power and influence.

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By all rights, Egypt should be the China of the Mediterranean, in terms of attracting foreign investment, but it's not.

As one Egyptian editor remarked: "Money? We have money. Workers? We have workers. Vision? We have no vision."

Complained another Cairo intellectual: "Mubarak has perfect-

ed the mummification of Egypt."

An Egyptian sociologist, Said Eddin Ibrahim, likes to say that Egypt is the "almost" country.

It is almost a democracy, it is almost a multiparty system, it has almost a free press, its economy is almost ready to take off.

But as long as it is almost all those things, Egypt will also be "almost" the leader of the Arab world. Not quite — almost.

The New York Times.

The

OPINION/LETTERS

No One Should Practice The Shorthand of Race

By Shelby Steele

MONTEREY, California — In the furor over the O.J. Simpson verdict and the Million Man March, Americans seem to have forgotten something that was more obvious during the civil rights movement: that race, though a biological fact, is a dangerously empty distinction because it can carry whatever meaning we give it without the support of reason or evidence.

This freedom from reason is what makes the idea of race so persistently convenient. Make the color black mean inferior and, without ever having to prove inferiority, you've got a couple of centuries of slavery.

Whenever we give a convenient meaning to race, we are general-

izing and therefore blinding ourselves to the humanity of individuals.

Early civil rights leaders understood that inequality, dehumanization and racial division would follow any use of race as a convenience. The Reverend Martin Luther King Jr. dreamed of an enlightened society of reason and brotherhood in which race would finally become a minor thing.

But around 1970 America made a stunning mistake. In the name of social reform, it embraced racial preference programs as a road to equality. The government decided that race was a dangerous distinction to draw only when it was used to justify bad policies like segregation. If the intentions were good — diversity, inclusion, fairness — then it was not just all right to use race to categorize people. It was virtuous to do so.

This set up a now familiar contradiction: a genuine desire to fight racism even as government policy blinds people to individuals by linking black skin to deprivation and white skin to privilege.

Yet race remains a dangerous shorthand whether the intentions are good or bad. America has

spawned a language of good intentions — diversity, cultural identity, multiculturalism, pluralism — that often conceals a use of race as a triumphant success.

Thus lurking behind worthy ideas is a society deeply divided by persistent inequality, the proliferation of demagogues and a relentless racial politics that erodes more national common ground every day.

America suffers as much today from a well-intentioned identification of its citizens by race as it does from old-fashioned racism.

This is what joins Bill Clinton's defense of affirmative action last summer to Louis Farrakhan's speech at the Million Man March last week. Both men announced worthy goals while using race as a convenient means to power.

Invoking "diversity" let President Clinton support racial preferences, a position he no doubt hopes will secure the black vote. And the theme of black male responsibility justified Mr. Farrakhan's organizing of a huge and exclusively black gathering that he no doubt hopes will win him power in the political mainstream.

The affirmative-action debate is about whether or not to keep using race as a distinction of convenience in American life. If this debate is different in scale from the struggle over segregation 30 years ago, it is not different in essence.

Racial preferences, like segregation, are conveniences that have created an ancestral entitlement right in the middle of a democracy and are fundamentally an assault on democratic principles.

To be against affirmative action is not to be against reform. Surely America can bring marginalized people into the mainstream without so dangerous an oversimplification of society.

It can do this by fostering higher educational expectations, safer neighborhoods and prenatal care, to take a very few examples. In a democracy, race will never find its rightful place until we recognize that race as a means will always corrupt our ends.

The writer, a research fellow at the Hoover Institute, is the author of "The Content of Our Character." He contributed this comment to The New York Times.

'The Scarlet Letter' Redux, or the Revenge of Mrs. Hawthorne

By Joyce Carol Oates

PRINCETON, New Jersey — When Nathaniel Hawthorne finished reading aloud his "hell-fired story," "The Scarlet Letter," to his adoring wife, Sophia, on Feb. 3, 1850, he ooted to a friend in a letter, "It broke her heart and sent her to bed with a grievous headache, which I look upon as a triumphant success."

The new Disney version of "The Scarlet Letter," a lustily photographed and luridly orchestrated ode to the power of romantic

MEANWHILE

love, might be described as Sophia Hawthorne's belated revenge. Indeed, it is a backlash against every great American prose classic in which happy endings are denied in the service of mythologized "male" issues of courage, conscience, destiny. Why not, for once, a romantic ending, the lovers united?

In the book, Hawthorne's fated lovers are joined together only after death — "One tombstone served for both." How much more cinematically exciting for Hester Prynne, the adulteress, and the Reverend Arthur Dimmesdale, the Puritan minister who is her secret lover, to ride off triumphantly in full view of the scandalized community? As a stylistic touch, Hester can hold the reins?

For here is a briskly Disneyized version of Hawthorne's dark, brooding prose poem of ambiguity, his evocation of a "legend" of a bygone Puritan world whose spiritual heritage, in 1850, had worn thin.

Where Hawthorne imagined a tragic ending, death for the neurotic Dimmesdale

after a public confession of his sin, and the remainder of her life as a penitent for Hester Prynne, Hawthorne prefers an upbeat ending. As if rewritten by D. H. Lawrence in a self-parodying mood, the tale now contains slow-motion love scenes and giddy horseback rides through the forest.

Hawthorne would have been astounded by Hester's first glimpse of Dimmesdale. She is wandering through a forest (so Disneyized one expects to see Bambi tripping by) on the trail of a peculiar-looking red bird (neither cardinal nor scarlet tanager, like no bird in North America) when she comes across a man swimming nude! It turns out to be, of course, Dimmesdale, the handsome bachelor cleric, shortly to ascend to the pulpit of his church to give a passionate sermon, his shoulder-length tresses still damp from his woodland swim and his soulful eyes seeking out Hester amid the plain, pasty-faced congregation.

Where Hawthorne created in Dimmesdale a vivid portrait of "a true priest ... with an order of mind that impelled itself powerfully along the track of a need and wore its passage continually deeper with the lapses of time," the film presents simply a male romantic lead whose very name, Dimmesdale, now makes no sense in terms of his character.

Plot and hero are irremediably misaligned. How could this manly Dimmesdale fail to acknowledge his love for Hester when she is exposed as pregnant, and imprisoned? Hawthorne's Dimmesdale was paralyzed by conscience and cowardice for a period of seven years. But then he was not a Hollywood star. Hester Prynne has been changed, too, into a patroozing, predictable figure whose independence and single-mother feistiness would have been absurd in

Hawthorne's theocratic, thoroughly patriarchal Puritan community.

Hawthorne's sympathetic portrait of Hester after passion has run its course is one of the painful illuminations of the novel: "There seemed to be no longer anything in Hester's face for Love to dwell upon; nothing in Hester's form ... that Passion would ever dream of clasping in its embrace ... Such is frequently the fate ... of the feminine character and person, when the woman has encountered, and lived through, an experience of peculiar severity."

Freed from her bondage, even after her daughter has grown up and emigrated to England (to marry a nobleman's son), Hester stubbornly elects to remain in the very community that has condemned her, a penitent mourning her lost lover.

In the film, no sacrifice is required of Hester. She is a woman who has it all.

The Disneyization of "The Scarlet Letter" represents American filmmaking at its most spectacularly superficial. Or perhaps it is the medium of film that is superficial.

Where the world can only be presented as primarily visual, and where character is expressed in terms of physical attractiveness, the intellectual, moral and spiritual qualities that constitute the human condition can be explored only with difficulty. Or cinematic genius, which is always in short supply.

In a film of such blatant wish-fulfillment as this, every scene conspires to provide the happy ending that, it is hoped, will sell tickets. Every narrative development, every dramatic issue, is contrived to be solved in terms of the final shot.

Is it, perhaps, unfair to object to contrived happy endings in films, or novels, when we yearn for them in our own lives? One might argue that tragedy, the quintessential male art form, is a genre as artificial as comedy or

romance. Tragedy assigns the highest values to noble suffering, to courage in the face of defeat. Tragedy, echoing the ancient rites out of which it arose, necessitates human sacrifices, literal corpses. Virtually all tragic protagonists are men. Though there are powerfully characterized women in Greek drama, among them Antigone, Medea, Clytemnestra and Electra, only Antigone merits the crown of supreme tragic heroine. The trajectory of what we might call the female vision, as distinct from the male, is toward accommodation, not repudiation; life, not elevated death.

The female vision seeks compromise in order that the next generation — and the next — come into being. There is nothing diminished or contemptible in such a vision, our knowing that our mothers would have wished us life at any cost, including, most likely, their own suffering or humiliation.

This is, after all, the life force. Who would wish to argue against it? Yet the wish-fulfillment happy endings of such films as "The Scarlet Letter" make us recoil in disbelief and disdain. What a cynical contrivance, to exploit female yearning in this way, mocking the genuine plight of many millions of women.

The idea that male dominance before a woman's physical attractiveness and outspokenness is a melancholy fantasy in 1995 when, unlike the movie's Hester Prynne, so many women are still stalked, beaten or killed by possessive lovers, or left to raise a child on their own. The collective hunger for happy endings is predominantly female, in our time as much as as Sophia Hawthorne's, and there is no mystery why.

Joyce Carol Oates, who teaches writing at Princeton University, is the author, most recently, of "Zombie." She contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Benefits and Births

Regarding "Will Welfare Cut Shred Mississippi's Thin Safety Net?" (Oct. 24):

Governor Kirk Fordice of Mississippi is convinced that "mothers on welfare became pregnant precisely so that they could collect the \$24 a month in extra benefits currently offered by the state."

I am not a mother on welfare, but I am a mother of two young children (30 months and 6 months) and am currently wallowing in the largesse of the Italian social system as the employee of an Italian company.

In Italy, a pregnant employee is obliged to leave her job two months before she is due to give birth and to stay away for three months after. During this time, she is paid 80 percent of her salary. Following this five-month mandatory maternity leave is available, paying 30 percent of salary. Afterward, the mother matures her vacation days, which are fully paid and count for another month. At which point, after one year, she returns with her job intact.

These are the rights of working women in Italy. However, women here do not seem to be motivated by such inducements. On average, Ital-

ian couples have 1.2 children, compared with 2.1 in the United States. No matter how alluring \$24 a month may seem to Mr. Fordice, a woman considering the countless night feedings, dirty diapers, loads of laundry, runny noses, etc., has probably made considerations other than the prospect of a fat government check.

DEANNA RICHARDSON

Rome

Egypt and Islam

I am surprised and dismayed by the judgment expressed in Khalid Duran's article ("Islamists Imagine Collusion," Opinion, Oct. 19).

How on earth could Mr. Duran imagine that Egypt is central to the progress of Islamism when Egypt is publicly and strongly engaged in a battle against those extremists who misinterpret, forge and exploit Islam in order to achieve their political goals and ambitions? This view either confuses Egypt with some other country or confuses Islamism and extremism with the Muslim religion.

To pretend that "support to Egypt is tantamount to direct negotiations with Islamists' insurgents" is in total contradiction to reality.

If there were only one country that believed and practiced moderation, it would be Egypt. Not only as a matter

of principle, but also as a rejection of violence and terrorism that is contrary to the teaching of Islam, in order to preserve our religion from the heresies of the extremists.

ALY MAHER EL SAYED

Ambassador of Egypt, Paris

Farrakhan's Leadership

Regarding "The Upshot of the March," (Oct. 19):

It looks like some black Americans have found their Vladimir Zhirinovskiy in Louis Farrakhan. Neither is much of a godsend to followers.

PETER MARTIN

Monteux, France



The art of flying has taught us a lot about the art of roadholding.



The first vehicles we built weren't high performance cars. They were high performance aircraft. So we got to know a lot about the way speed and gravity affect the human body, how man and machine interact. That's why a Saab gives you that special feeling of intuitive control. That's why it hugs the road so firmly and performs with such precision. It's not a coincidence. It's part of our history.

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INTERNATIONAL

Snub of Arafat Annoys the U.S. N.Y. Mayor Is Criticized for Gaffe at Concert

By David Firestone
New York Times Service

NEW YORK — A day after New York's mayor, Rudolph W. Giuliani, expelled the Palestinian leader Yasser Arafat from a concert for world leaders at Lincoln Center, the Clinton administration sharply criticized the mayor Tuesday for what Washington officials called an embarrassing breach of international diplomacy.

Mr. Giuliani, clearly relishing the controversy, insisted he could never forgive and play host to Mr. Arafat even though the Palestinian leader had been embraced as a peacemaker by the Israeli and U.S. governments.

A spokesman for the U.S. Mission to the United Nations said the administration made it clear to the city that Mr. Arafat, the chairman of the Palestine Liberation Organization, could be invited to local events. President Bill Clinton invited him to a White House reception Sunday.

"We regard the incident as unfortunate in light of the constructive role that Chairman Arafat has played in the Mideast peace process," said James P. Rubin, the spokesman.

A senior administration official in Washington, who asked not to be identified, went even further, saying the incident Monday night was "an embarrassment to everyone associated with diplomacy."

But Mr. Giuliani, explaining his decision Tuesday, called Mr. Arafat a murderer and terrorist, and said he was not impressed by the fact that Mr. Arafat had twice been invited to the White House to sign the Middle East peace accords or that he shared the Nobel Peace Prize.

"I would not invite Yasser Arafat to anything, anywhere, anytime, anywhere," Mr. Giuliani said at a news conference. "I don't forget."

Mr. Giuliani said his antipathy to Mr. Arafat — like his antipathy to the Cuban leader Fidel Castro — went back to his days as a federal prosecutor.

As U.S. attorney, he investigated several terrorist incidents to which the PLO was linked, including the hijacking of the Achille Lauro cruise ship. As far as he was concerned, Mr. Giuliani said, the statute of limitations on those incidents has not run out.

"He has never been held to answer for the murders that he was implicated in," the mayor said. "The UN is one thing, the peace process is another thing. When we're having a party and a celebration, I would rather not have

someone who has been implicated in the murders of Americans there, if I have the discretion not to have him there."

The mayor said Mr. Arafat was not invited to the concert but was given a ticket by a country he did not identify. A PLO official disputed that statement, saying Mr. Arafat was given tickets by the official organizing committee.

"The mayor is not telling the truth," said Muin Shreim, counselor for the Permanent Observer Mission of Palestine to the United Nations. "I personally picked up the tickets from the New York City Host Committee. He is lying. It was an envelope marked 'Palestine.' There were three tickets inside."

Mr. Shreim accused the mayor of pandering to voters, and Nasser Kidwa, the Palestinian observer at the United Nations, characterized the incident as very sad.

"It only indicates that the office of the mayor has been hijacked by some fanatics in this city," he said. "It is also sad that while boasting about New York as the capital of the world, as a great city — and it's true — he has

misbehaved in such sensitive political issues."

The New York Philharmonic concert at Avery Fisher Hall was sponsored by the New York City Host Committee, which was organized by Mr. Giuliani to sponsor events at the anniversary.

Last Friday, an aide to the mayor sent the United Nations a list of countries that should be excluded from events sponsored by the committee. The list included the Palestinian mission and seven countries not recognized by the United States: Cuba, Iraq, Iran, Yugoslavia, Libya, North Korea and Somalia.

The mayor said Tuesday that when he was told that Mr. Arafat had entered the concert hall, he told his chief of staff, Randy Mastro, to ask him to leave. "Randy told him that he wasn't invited, he wasn't welcome, and we would prefer that he leave," Mr. Giuliani said. "He stayed for a while, then he left."

Mayoral aides distributed copies of congratulatory messages that Mr. Giuliani had received from Jewish organizations. Agudath Israel of America wrote, "Bravo!"



The PLO's Yasser Arafat listening to Israel's Yitzhak Rabin at the UN.

World Press Gets Taste of Big Apple

By William Glaberson
New York Times Service

NEW YORK — Sure, the Clinton-Jiang meeting was of some interest to the reporters from all over the world who converged on New York to cover the anniversary of the United Nations, as was Yasser Arafat's snub by Mayor Rudolph W. Giuliani and Fidel Castro's visit to Harlem.

But these events were not their focus. Yavuz Yorulmaz, for instance, a journalist from Turkey, was much more keenly interested in the New York meeting between President Suleyman Demirel of Turkey and President Nursultan Nazarbaev of Kazakhstan.

"As you know," he said, "the petroleum and the natural gas is the point."

The 2,500 foreign reporters who have descended on New York this week to cover the UN anniversary do not think America is the center of the universe, as a few of them noted politely. Their idea of what is important these last few days has been quite at odds with the front-page stories in New York City newspapers.

"Basically, our intention is to cover our president, all the rest will be secondary," said Agerico Arias, a news producer for People's Television Network in the Philippines, who was one of the few Fidel V. Ramos-watchers at the meeting.

The UN meeting has been something of a Rorschach test for the world's news media, with all the journalists sending home their own images of the world — and of New York City.

City officials have worked for months to try to use this gathering to get out a rosy picture of the city as the "capital of the world." They arranged tours to show visiting reporters such things as "the international cultural treasures of New York" and, with peculiarly tight focus, "the revitalization of Times Square."

Many of the foreign journalists said they have never been to New York before, and some countries have sent so many journalists that the city's image handlers calculated that there would be plenty of idle journalists to win over. According to the United Nations, South Korea sent 102 journalists, Mexico 54, and Japan 52.

Some said they were so busy with the diplomatic doings that they would be unable to take advantage of New York's special offerings. Tetsuya Ozeki, a Japanese journalist, said he did not even have time to take a walk. He headed home Sunday.

But others said they would tell readers and viewers about the city. It was not always clear, however, that their reports would please the Conventions & Visitors Bureau.

Odion Nivolas, a journalist from Madagascar, said he had a look around and he was concerned about the city's tiny apartments.

"It's good," he said when asked whether he planned to report positively about the city. "But the difference is you have no space at home."

Tamhayi Oliver Nyika, of the Zimbabwe news agency Ziana, said he noted what appeared to be racial separation in New York City. Perhaps, he suggested, this was based on economic differences between the people he saw in midtown Manhattan and those he saw in other neighborhoods. "I have seen that within the city center, there is a preponderance of whites," he said.

UN Says 'No' To Smoking

Agence France-Press

UNITED NATIONS, New York — As world leaders discussed how the United Nations could meet the challenges of the 21st century, the body sprung one immediate reform on them all: a ban on smoking on its premises.

While 185 kings, presidents and prime ministers were celebrating the UN's 50th anniversary, the ban went into effect at its headquarters, one of the last bastions of resistance to New York's stringent anti-smoking laws.

A statement announcing the measure said the agency had the moral responsibility to provide a safe environment to its staff.

On the other hand, Mr. Arias, the news producer from the Philippines, said he planned to send his millions of viewers some good news about New York.

U.S. Counts On Jiang-Clinton Talks To Patch Up Ties

By Alison Mitchell
New York Times Service

better through honest dialogue. "Neither side would claim that there aren't serious differences remaining," Assistant Secretary of State Winston Lord said after the meeting. "There are serious differences."

But he said the relationship had "restored momentum."

The administration had hoped to capitalize on Russia's agreement Monday to a ban on all nuclear testing in 1996 to bring China on board on the issue. But it received only a promise to pursue the issue further. While China has agreed to pursue a comprehensive test ban in 1996, it is the last of the five major nuclear powers not to sign on to the idea of zero testing.

Mr. Clinton raised the issue of human rights in China and of Tibet, which has been under Chinese control since 1950. But at a briefing after the meeting, Mr. Lord refused to name the specific human rights cases that were raised. That was in marked contrast to Mr. Clinton's meeting with Mr. Jiang in Seattle in 1993, where the public announcement of names helped get dissidents free.

Mr. Clinton deflected questions about human rights issues and Taiwan from reporters who quizzed him and Mr. Jiang at a picture-taking session before their meeting.

"The important thing is that we're going to have this meeting," he said. "These are two great countries that have a real interest in maintaining a constructive dialogue with each other and wherever possible a partnership, and we need to go to work on it."

As expected, the Chinese brought up Taiwan, and Mr. Chen described the issue as "the most major and sensitive issue affecting the relationship."

But American officials said they were gratified to see that it did not dominate the agenda as it did in the aftermath of the United States' decision to allow Taiwan's president, Lee Teng-hui, to make a private visit to the United States last spring.

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EUROPE

Chirac and Kohl Affirm Single-Currency Timing

Compiled by Our Staff From Dispatches

BONN — Chancellor Helmut Kohl and President Jacques Chirac of France reaffirmed Wednesday that their countries would qualify on schedule to join Europe's planned single currency.

The two men, speaking after weeks of speculation about German-French tensions, announced they were in full accord about the planned economic and monetary union (EMU).

"I have not the slightest doubt that the determination of the president and the government and France's strength will ensure that France will achieve the criteria" for EMU, Mr. Kohl told reporters at a news conference after a working dinner between the two leaders.

"We are both in absolute agreement that the criteria must not be called into question," said the chancellor.

Paris Slates Tougher Laws On Terrorism

Reuters

PARIS — After a wave of guerrilla bombings, the French cabinet endorsed plans Wednesday for harsher anti-terrorism laws that would stiffen jail terms and give police powers to raid at night.

In the aftermath of bombings that have killed seven people and wounded about 170, the cabinet approved a draft bill widening the definition of crimes that can be considered terrorist, making them liable to harsher penalties.

The center-right government's overwhelming majority in Parliament virtually guarantees that the proposal will become law.

Since the bombings began in July, France has deployed thousands of extra troops and police in one of the biggest peacetime security crackdowns. The bombings are believed to be the work of Algerian Muslim extremists.

A cabinet statement said French law should consider that possession of arms or helping a foreigner illegally in France could be terrorist crimes in some cases.

The law also would provide for harsher sentences for attacks on the police, raising the maximum term for an attacker who cripples a policeman to 20 or 30 years from the current 15 years.

Mr. Chirac, who some German officials suspected was not as pro-European as his predecessor, François Mitterrand, agreed.

"We will both jointly be ready to achieve the schedule in the monetary area, which we have set ourselves and agreed on," he said.

Mr. Chirac said France had for too long indulged in a policy of excessive public spending, but said: "I want to add that France will also fulfill the criteria and that there are no differences of opinion between us on this."

The two also stressed their determination to help the reform program of President Boris Yeltsin of Russia and not allow NATO to expand into Eastern Europe without consulting Moscow.

Before Mr. Chirac arrived for the dinner, deputies from both government and opposition parties criticized France's nuclear

arms tests in a parliamentary debate.

Greenpeace hung a protest banner from a nearby Rhine River bridge urging Mr. Chirac to stop the blasts.

Opposition Social Democrats warned of an alienation between the two states, whose cooperation is crucial to further European integration, and slammed the French nuclear tests as a serious political mistake.

"The condemnation of France because of the nuclear tests is worldwide and unanimous," said the spokesman, Olaf Feldmann.

"There are tensions and we shouldn't cover them up," The Social Democratic foreign affairs spokesman, Karsten Voigt, told German Radio.

Echoing the mild criticism Mr. Kohl has made in the past, Foreign Ministry State Secretary Werner Hoyer told Parliament that Bonn disapproved of all nuclear tests.

But he said it would not heed opposition calls for an EU court case against France, adding: "The government does not want to

replace politics with court proceedings."

The disarmament spokesman of Mr. Hoyer's Free Democratic Party, Mr. Kohl's junior coalition partner, slammed the French nuclear tests as a serious political mistake.

"The condemnation of France because of the nuclear tests is worldwide and unanimous," said the spokesman, Olaf Feldmann.

Mr. Hoyer said Bonn was "very close to the French" on giving the Union a more effective foreign policy capability, including the greater use of majority voting among member governments. He also expressed the clearest interest to date by a government official for naming a president to give visibility and coherence to EU foreign policy, as France has proposed.

"It's not a bad idea," Mr. Hoyer said.

(Reuters, IHT)

Dini Takes the Floor to Fight a Rumor

Reuters

ROME — Prime Minister Lamberto Dini of Italy intervened in a parliamentary no-confidence debate on Wednesday to deny rumors that he was trying to influence the vote to save his government from collapse.

Mr. Dini's surprise statement under-scored the tension over Thursday afternoon's vote, which many analysts said he would lose and that would trigger early general elections.

The tension erupted into scuffles on Tuesday night in the lobby of the lower Chamber of Deputies, where Mr. Dini's

conservative predecessor, Silvio Berlusconi, is leading the charge to topple the nine-month-old government.

Addressing the assembly, Mr. Dini denied rumors floated during the debate by supporters of Mr. Berlusconi that President Oscar Luigi Scalfaro was putting pressure on deputies to back the government.

"I am authorized to say that I challenge anyone to come up with names and circumstances," Mr. Dini said.

The prime minister appears to be in serious trouble. His defeat could mean elections as early as December, more than three

years ahead of schedule, a scenario that Mr. Berlusconi is fighting hard to bring about.

"By now it seems certain that they are going to send us home on Thursday. There is an eight-vote margin against us," the minister for Social Affairs, Adriano Olivetti, said in an interview with the newspaper *La Stampa*.

Mr. Berlusconi's center-right Freedom Alliance and the Marxist party Communist Refoundation have the votes to oust Mr. Dini, but commentators have not ruled out a surprise result if there are last-minute abstentions or changes of heart.

Rules on EU Farm Payments Approved

Reuters

LUXEMBOURG — European Union farm ministers agreed Wednesday to rules allowing governments to compensate farmers for income lost caused by major currency swings in neighboring countries, EU officials said.

The agreement was reached when Sweden dropped its opposition after the rules were slightly amended to ensure that farmers would not get too much compensation.

"The regulation is adopted," an EU official said.

Italy voted against the rules and Britain abstained. They were concerned that the rules, which will put into effect a political accord reached in June, were too vague and would distort farm trade.

On Tuesday, Britain invoked for the first time a procedural ploy called the loannina compromise, under which countries must

ter 23 to 25 votes under the EU weighted voting system, can demand extra talks.

Britain, Italy and Sweden, which together hold 24 votes, bad said that the aid, part of the EU's annual farm price pact, must be strictly controlled. Under the agreement, governments can compensate farmers for losses caused by major monetary changes between July 1994 and December 1995. The aid must be phased out over three years.

The EU official said the rules were changed so that the European Commission could reduce or end national aid in the second and third years of the plan if exchange rates swing the other way.

France is impatient to press ahead with plans to compensate farmers who lost exports of young bulls to Italy for fattening after the lira depreciated earlier this year.

Farm Minister Philippe Vasseur of France said he was surprised that Britain

had invoked the loannina compromise over such a specific and what he called relatively minor issue.

"I thought it was meant for matters of general importance," he said.

But Farm Minister Douglas Hogg of Britain said Tuesday that national farm aid involved an important point of principle and that specific guidelines were needed.

The European Commission said the amended rules were acceptable because the commission would have in any case ensured that farmers were not overcompensated for income loss.

The commission has twice in the past two years taken the EU Council of Farm Ministers to the European Court of Justice after it overruled the commission's rejection of French aid to wine producers.

"The commission is stricter than the council in controlling national aid," a commission spokesman said.

A 'Tell-All' Book on EUDies

International Herald Tribune



BRUSSELS — Responding to a backlash over her scathing portraits of Europe's political leaders, the European Union's environment commissioner said Wednesday she was withdrawing her tell-all book about life inside the Union's executive agency.

The retreat by the official, Ritt Bjerregaard, was as astonishing as the book itself, which she conceded was "senseless." The incident left Mrs. Bjerregaard and her commission colleagues deeply embarrassed.

Mrs. Bjerregaard said she had asked her Danish publisher not to publish "The Commissioner's Diary" after her boss, Jacques Santer, urged her to withdraw it at a private meeting Wednesday morning.

"Good friends have felt abused and deceived, and colleagues, with whom I relate well with in work, have felt that I was overstepping some limits," Mrs. Bjerregaard said in a statement.

Excerpts of the book were published in the Danish press on Monday.

BRIEFLY EUROPE

U.K. Is Said to Draft Closed-Door Policy

LONDON — Britain signaled a clampdown Wednesday on "bogus" asylum-seekers, but denied media reports that it had drawn up a "white list" of countries unlikely to produce genuine applicants for asylum.

The British government, however, sought to play down a report in *The Guardian* newspaper that the government was preparing to close the door on asylum-seekers from countries deemed to be "safe."

The measure — reported to be included in a new Immigration and Asylum Bill — was said to have been disclosed in a briefing paper drawn up by the Conservative Party's Central Office for Tory MPs, but one source said the office was "99 percent certain" it had not issued the document. (AP)

Israelis Cases Denied

MUNICH — A Munich court refused compensation Wednesday to 22 legal claimants of 11 Israeli victims who died in the hostage crisis at the Munich Olympic Games in 1972. The trial will continue for five of the

families seeking damages, a court official said. The claimants for the 11 Israeli athletes killed Sept. 5, 1972 by a terrorist commando team argued that German security services failed in their duty and asked the government for 40 million Deutsche marks (\$28 million) in compensation. (AP)

Britain Expels Iraqi

LONDON — Britain expelled an Iraqi diplomat Wednesday on suspicion of espionage and guerrilla links.

The Foreign Office said that Khamis Khalaf Al Ajili, the administrative attaché at the Iraqi Interests Section, had been declared persona non grata. He has been ordered to leave by Oct. 31. (Reuters)

Calendar

European Union events scheduled for Thursday:

STRASBOURG: European Parliament session continues, with a vote on French nuclear tests.

LUXEMBOURG: Fisheries ministers meet.

Sources: Agence Europe, AFP

NIGERIA

ABACHA'S AGENDA FOR ECONOMIC RECOVERY AND DEMOCRACY

1. The 35th Independence Anniversary Address by the Head of State and Commander-in-Chief of the Armed Forces, General Sani Abacha, is a historic document on statesmanship. The Address is a brilliant example of vision and compassion which are the virtues of good leadership. The Ministry of Petroleum Resources, which I have the privilege of heading, commends General Sani Abacha for his frankness and courage in tackling the serious issues that trouble our Great Nation. As the Buhark and economic fortress of the country, my Ministry would like to highlight aspects of the Address which relate to the oil industry and the overall destiny of the nation. These aspects are the programme of economic recovery, the crusade against corruption, justice in revenue sharing and democracy, the political transition programme and stability as well as the understanding of the international community.

2. **COMBATING CORRUPTION AND ENHANCING ECONOMIC RECOVERY**

This Ministry supports Government's efforts to instill probity and accountability in the nation. Since the inception of the Abacha Administration, the issue of corruption has received priority attention. The institution of probe panels on NINE strategic sectors and the promulgation of decrees on money-laundering and bank failures demonstrate government's firm resolve to sanitize the economic environment for growth and sustainable development.

The petroleum sector will benefit immensely from the bold initiatives of General Abacha in this respect. One positive effect of the ongoing re-organisation and restructuring at the Nigerian National Petroleum Corporation (NNPC). Already, the measures taken against corrupt and unscrupulous executives have begun to have salutary effect on the oil industry and the International Community has responded positively to the initiatives to purify the industry for efficiency and accountability.

In this regard, I would like to put the International Community on notice that the Abacha Administration is determined to deal decisively with foreign fraudsters who fraudulently diverted, through European and American banks, over US\$ 15 million from Nigerian crude oil sales.

My Ministry has instituted legal process not only to recover the stolen money but to EXPOSE the fraudsters and the foreign banks involved. This measure is part of the initiatives being undertaken for combating the nefarious deeds of international syndicates which work to undermine Nigeria's efforts to ensure accountability and probity in the oil industry.

Another manifest example of the Government's commitment to efficient management of the nation's resources is the establishment of the Petroleum Trust Fund. This is the first time in our nation's history that such a policy of prudence is being put in place to provide a steady source of funds to finance strategic sectors. As the fulcrum of the nation's economy, my Ministry is happy to be the custodian of the revenue according to the Fund. In less than 1 year the Fund has earned N30 billion, the biggest asset of its stable revenue sourced by Nigeria without resorting to external borrowing. I am delighted to note that the Board of the Fund has decided to disburse the money to reactivate and regenerate priority sectors such as industries, roads, health, education, public utilities, etc. The Fund is therefore an extension of the capacity of the petroleum industry to fuel the nation's economic recovery, political stability and the democratic process. Also commendable is the Head of State's effort to diversify the revenue base of the economy through the revival of agriculture and exploration of solid minerals. This diversification drive will enjoy the support of my Ministry through the various measures being taken to protect oil revenue from waste, corruption and inefficiency. To enhance productivity and social peace, the Head of State graciously lifted the ban on employment in the civil service imposed by the previous administration. This is another confirmation of the Administration's concern for the welfare of the masses who have been victims of harsh austerity measures in the past ten years or so.

JUSTICE AND REVENUE-SHARING

CHIEF The decision of Government to operate the formula of 15 per cent revenue-sharing based on derivation is another brave act of statesmanship.

The approval is a historic development for the long-suffering people of oil-producing communities. When considered along with other agencies such as the Oil Mineral Producing Areas Development Commission (OMPADEC) and the Petroleum Trust Fund, the 15 per cent derivation principle is a powerful instrument for promoting fairness and justice in the distribution of national resources. The move will not only enhance unity and confidence in the federation; it will encourage oil-producing communities to become more committed and vigilant in protecting vital infrastructure and assets of the oil industry.

TRANSITION PROGRAMME AND STABILITY

It is true that economic development cannot succeed without political stability. From the outset, the Abacha Administration left no one in doubt that the stability and unity of our great nation are the top priorities of government. The work of the National Constitution Conference

475 the draft Constitution showed the determination of Nigeria to lay a solid foundation for good governance and democracy.

The programme of transition outlined by the Head of State in the Address is an honest and practical one which deserves the support of the entire nation. I am up to the challenge of nation-building unfolded in the transition agenda.

Bound by the decision of the coup convicts that General Sani Abacha is a magnanimous man who is determined to foster national reconciliation and harmony. The Head of State has demonstrated that he is a man of peace by going ahead expeditiously to resolve the issue in a manner that brought happiness to the families and friends of the affected persons and to the nation in general.

PORT OF THE INTERNATIONAL COMMUNITY

At the Address, the Head of State reaffirmed Nigeria's commitment to the goal of building peace in the international system. He also issued the hope that Nigeria's traditional friends and partners in development will show appreciation for our nation's peculiar instances by responding positively to steps Nigeria is taking to improve the economy and build peace.

Antilles oil sector has been the most dynamic instrument in the conduct of Nigeria's external relations. I wish to assure the international community that Nigeria's resolve to manage the oil industry efficiently in order to ensure security of investments and to sustain the confidence of the international partners.

France — the International Community to reciprocate Nigeria's positive gesture in this regard. Our oil has provided a steady source of energy for the economic prosperity of many nations. Our troops and resources have helped to restore peace to troubled regions of the world.

Greece — at the rest of the world to contribute to our peace by changing its attitude of hostility.

Italy — Jordan — I urge the Government of the United States, as Nigeria's biggest and most reliable customer in the oil industry, to review her policy of sanctions on Nigeria. By relaxing these measures, the US will facilitate the quick return of peace in Nigeria. I equally call on the other nations of the European Union and other friends of Nigeria to reconsider their policies by giving positive support to the transition.

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M 013

LONG LIVE THE FEDERAL REPUBLIC OF NIGERIA

Chief Dan L. Etete
Minister of Petroleum Resources
Federal Republic of Nigeria

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INTERNATIONAL

A Secret Cold War: Did CIA Keep Files From FBI?

By James Risen
and Ronald J. Ostrow
Los Angeles Times

WASHINGTON — In espionage circles, Ed Pechous was nicknamed "The Poison Dwarf." It was, some in the CIA say, a moniker that FBI officials had derisively attached to the diminutive spy. The name stuck because it fit well — William H. Webster, a former CIA director, remembers Mr. Pechous best as a very small man who played tennis with a very large racket.

But if Mr. Pechous seemed like a character torn from the pages of a John Le Carré spy novel, there was nothing fictional about his enormous influence within the shadowy intelligence world during the twilight of the Cold War. As Bonn's station chief of the Central Intelligence Agency in 1989, Mr. Pechous was in charge of all American spy operations in Germany and held sway over a secret espionage empire just as the Berlin Wall was coming down.

Yet critics say his arbitrary use of that power ultimately helped lead to a secret bureaucratic

war in Washington that continues to poison relations between the CIA and the FBI. And his actions — and those of other senior CIA officials — may have severely hampered the CIA's ability to take advantage of one of the greatest intelligence windfalls the West has yet obtained from the death rattles of communism.

U.S. intelligence sources close to the controversy say that Mr. Pechous and other senior CIA officials refused to grant the FBI access to reams of secret documents that the CIA obtained from the East German intelligence service after the fall of the Berlin Wall and the reunification of Germany. Sources say the CIA repeatedly rebuffed efforts of the FBI's counterintelligence experts to see the files from Stasi, the enormous and fearsome East German spy service that went out of business with the death of its country.

FBI officials believe that the CIA's refusal to turn over the information blocked the bureau from tracking down leads in the files about terrorists who had been backed by East Germany. They also contend it prevented the FBI's counterintelligence service from cross-checking the files to try to uncover potential moles

who might have penetrated the U.S. government.

Mr. Pechous, who recently retired from the CIA, would not comment for this article.

The sources say the CIA's refusal to turn over the files led to years of friction between the spy agency and the bureau, possibly hurting relations between the CIA and the FBI nearly as badly as did the CIA's long refusal to share information with the FBI about the Aldrich H. Ames spy scandal.

Robert M. (Bear) Bryant, assistant director in charge of the FBI's National Security Division and the bureau's chief spy buster, repeatedly clashed with Mr. Pechous and other CIA officials over their refusal to grant access to the files, sources say.

One FBI source said Mr. Bryant was so unhappy with Mr. Pechous's actions on this and other equally sensitive counterintelligence matters that he wanted to seek prosecution of Mr. Pechous. But the source could not detail how Mr. Bryant hoped to prosecute Mr. Pechous. Mr. Bryant refused to comment for this article.

"I think Bear Bryant was infuriated over

this," said Mr. Webster, who has served as director of both the FBI and CIA.

Several sources suggested that the CIA refused to grant the FBI access for a simple reason: The files included humiliating revelations about CIA espionage operations. They showed that virtually every CIA operation in East Germany had been penetrated and "doubled" — turned back against the CIA — by the Stasi or other East-bloc intelligence services.

Yet U.S. intelligence officials offered another more complicated rationale for the CIA's refusal to share the files with the FBI: The CIA did not obtain the files through official German government channels and was concerned about protecting the sources who had provided the files to the agency. Even so, they say, that was not reason enough to deny access to the FBI.

Today, after a bloody turf battle, the FBI has finally been granted access.

Yet sources say some officials at the FBI remain suspicious that the CIA has still not shown them everything.

Senior Justice Department officials stress that John M. Deutch, the new CIA director has worked hard to improve the FBI's access.

Jet Sales to Iran Barred by U.S.**Pledge Cements an Order Of \$6 Billion With Saudis**

By Ralph Vartabedian
and Robin Wright
Los Angeles Times

WASHINGTON — As part of a long-delayed \$6 billion Saudi Arabian order for U.S. jetliners that is due to be signed this week, the United States has secretly pledged not to sell any civilian aircraft to Iran. U.S. officials have disclosed.

The Saudi defense minister, Prince Sultan bin Abdel Aziz, is expected to sign an agreement for about 61 jets, including 29 MD-90 passenger jets and four MD-11 cargo planes. Boeing will produce the other 28 planes. That part of the order is worth about \$4 billion.

Saudi officials sought the secret pledge out of concern that any future U.S. sales to Iran might in turn pave the way for a diplomatic opening as well, a senior U.S. official said.

"Part of the deal from the beginning has been that if Saudi Arabia buys these planes, then the United States feels no need to compete for the Iran market," the official said. "The Saudis didn't want to see U.S. commercial relations with Iran improving because of their concern that it might lead elsewhere."

Since Iran's 1979 revolution, Sunni-dominated Saudi Arabia has looked at Shiite-dominated Iran as its primary long-term security and economic threat.

Iran has made initial steps to sound out the United States on a jet deal. U.S. policy on Iran has become tougher, with new sanctions imposed last spring after a

deal with Conoco fell through at a cost of thousands of jobs and hundreds of millions in income to U.S. companies. Clinton administration officials have conceded.

Tehran is looking to upgrade its largely U.S. civilian fleet, but the United States has put Iran on an export control list that requires U.S. companies to obtain a license for any transactions. As a result, Iran has turned to European aircraft makers.

A McDonnell Douglas spokesman said he could not confirm that Saudi Arabia was finally going to sign the agreement, but the aircraft maker was aware of the Saudi minister's trip and was hopeful the deal would be completed this week.

The spokesman said he had not heard about the secret pledge. A Boeing spokesman also said he was not aware of the pledge either.

Aerospace experts said the pledge might be largely symbolic because the United States was unlikely to approve any big commercial deals with Iran. But they added that the size of the Saudi order had played a major role in the agreement.

"For all the work that the U.S. had to go through to get this deal, they are out going to do anything to jeopardize it," said C. Donald Stales, an aerospace expert for A.T. Kearney, a management consulting firm. "The commitment the Saudis are making probably far exceeds anything that Iran would make."

SPAIN: Budget Jolt

Continued from Page 1

to 4.4 percent. Mr. González said deficit reduction targets would continue to be met. And he said that despite the defeat he still thought he had enough support in parliament to pass pending legislation.

The budget defeat was the third political shock in recent days for Mr. González's socialist government. The senate has voted to set up a committee to investigate accusations that the government ran the death squads that ranged over southern France in the 1970s killing suspected terrorists — several of whom subsequently were found to have had nothing to do with the Basque separatist movement. And a supreme court judge has called for the parliamentary immunity of the former interior minister, José Bartolomé, to be lifted so that he can be questioned about the murders.

But Mr. González steadfastly denies that he took part in the planning or operation of the dirty war. Taking a statesman's stance above the domestic political fray, he has involved himself intensely in foreign affairs recently. He flew back from the UN 50th anniversary celebration in New York, lunched briefly with President Roman Herzog of Germany — too briefly for some German diplomats — drove to parliament and then left immediately on an official visit to Tunisia.

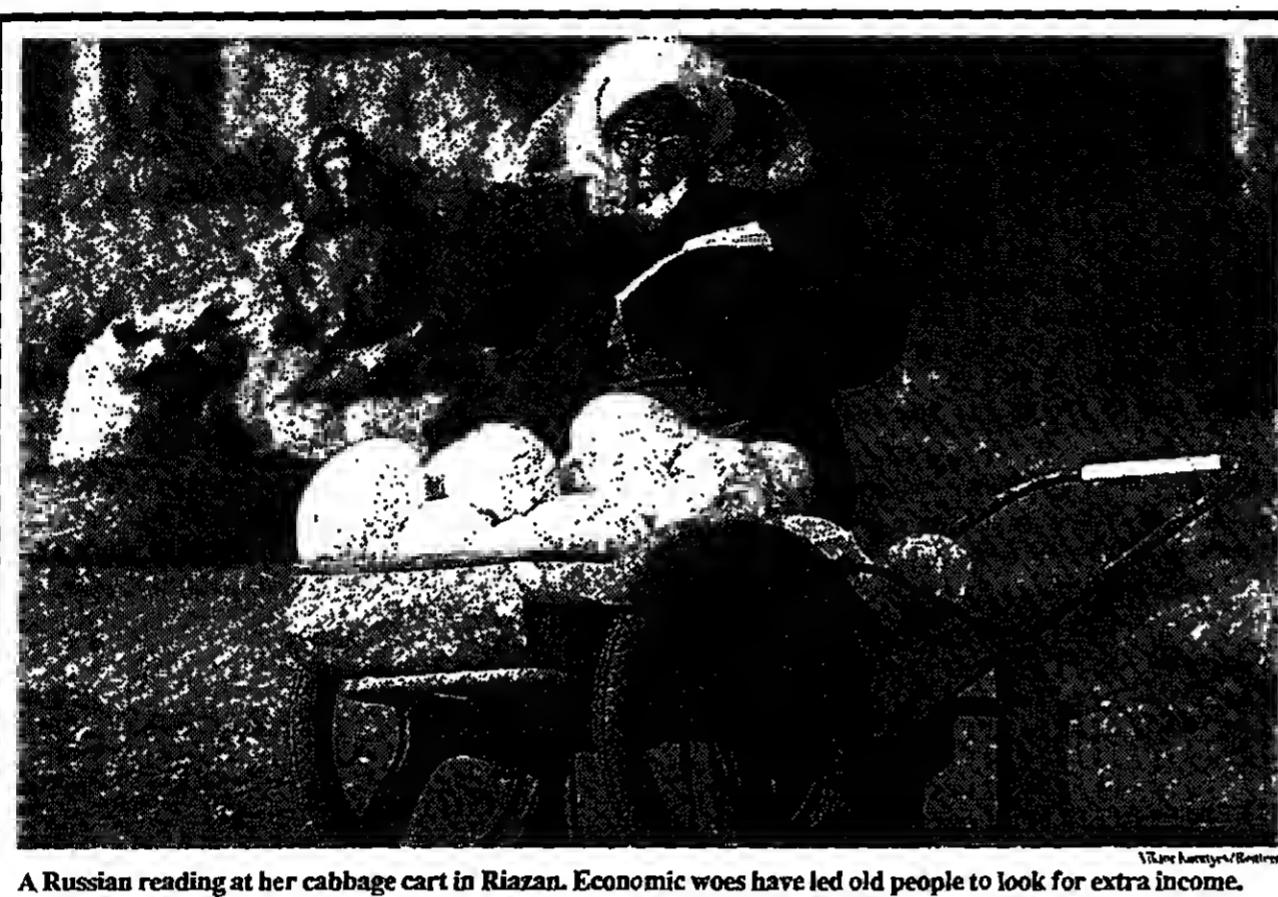
Despite the prime minister's political setbacks, many socialists see him as the party's best hope of winning next year's elections. He remains the country's most popular politician in opinion polls, and is an easy match for the colorless Mr. Aznar in parliamentary debates.

The minister of the economy, Pedro Solbes, said some time ago that he did not see how the government could remain in office if the budget was thrown out, but Mr. González said there was no reason for him to step down.

He said "the fact that some political groups get together to reject a budget without agreeing to an alternative proposal" was no reason for the government to be dissolved. "Quite the contrary," he added.

In New York, Mr. González pointed out that he had already brought the elections forward by a year and wondered how he could advance them any further without having Spaniards going to the polls on Christmas Day.

Although opinion polls point to the contrary, Mr. González predicted, "we will win the election."



A Russian woman reading at her cabbage cart in Riazan. Economic woes have led old people to look for extra income.

EUROPEAN TOPICS**Some Lawyers in Germany Agitate for the Cyber Trial**

It began like any other trial in a German courtroom. The judge and defense lawyer were in their usual positions. But to the judge's left, in the place reserved for the complainant's lawyer, was a television set. Heinz Spilbertor, who was pleading his client's case for damages following a traffic accident, was only virtually present.

This was just a test. But Mr. Spilbertor and many of his comrades hope the technique will gain official acceptance in civil trials and in labor tribunals. The Stuttgart Justice Ministry is planning its own test, the weekly *Der Spiegel* reports.

Mr. Spilbertor says cyber trials could save lawyers time, and clients and insurers millions of Deutsche marks, by vastly reducing travel costs. Justice would be more expeditious as well.

The new technique is unlikely to gain approval in criminal trials, however. Ger-

man law requires the judge, defendant and lawyers for both sides to be present, and not just electronically.

Dirk Matik of the German Lawyers Association probably speaks for many of his colleagues: "I want to see, hear and be able to test a witness — and for that, I need a three-dimensional person."

Now it is clear, for now, how a virtual lawyer could respond to a judge's summons to "Approach the bench."

Around Europe

Robin Hood would have a hard time accommodating his band of socially conscious robbers in today's Sherwood Forest. Logging, farming, coal mining and urban sprawl have eaten into the once majestic broad-leaf forest, reducing it to a single stand of ancient woodland, barely enough for a decent chase.

At its heart is a visitors center and the massive 1,000-year-old Major Oak, where Robin and his Merry Men reportedly took shelter. But the entire forest now covers less than three-quarters of a square mile, not even a hundredth what it once was.

Now, a group called the Sherwood Initiative is working to restore the forest, using government funds and private donations to replant oaks, silver birches and

yews. Even the evil Sheriff of Nottingham surely would approve.

When the 10-franc piece was introduced in France in 1988, its bimetallic construction was said to make it impossible to counterfeit. But fake 10-franc pieces have gradually become more common, particularly along the Riviera. They are a bit redder than they should be and the fit between the silver-colored core and the gold-colored collar is slightly rough. But about 1 percent of all 10-franc pieces now in circulation are bogus. That means 8 million pieces worth about \$16 million. The French themselves like to say it: "Impossible n'est pas Français."

The strength of family bonds is tied to youths' drinking patterns, according to a survey of 6,000 11-to 16-year-olds in Britain, France and Spain. The closer and more structured the family and the better the lines of communication, researchers found, the less likely were young people to drink. Spanish parents were three times more likely to forbid their children to drink than were the British — the French fell right in the middle — and drinking patterns closely reflected this.

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International Herald Tribune

BANKS: Daiwa Scandal Has Raised Borrowing Costs Across Asia

Continued from Page 1

large Japanese banks a 66 basis-point premium.

In Tokyo, Finance Minister Masayoshi Takemoto said Wednesday that Japanese banks must accelerate their write-offs of problem loans if they want to reduce the extra charge for foreign currency.

In the meantime, Japanese

bankers are having a tough time in the bond market. "It was very hard for anyone else to compete with the Japanese in the quality end of the market as long as they could get cheap funding," said a bond trader at an American securities firm in Hong Kong.

But now, he said, because Japanese companies are forced to pay premium rates when they borrow, they can no longer provide low-cost financing to other

Asian borrowers. He predicted more selling of Asian companies' debt in the coming days.

Traders said prices of some Korean bonds had fallen

so much recently that their yields had risen to 40 basis points above those of comparable U.S. Treasury bonds.

"We could see Korean banks coming to the market having to pay a lot more without the Japanese there to support their issues," the trader with the U.S. securities firm said, pointing to the possibility that Japan's financial malaise may affect other banking sectors in the region.

In theory, an American soldier could be sentenced to death and executed for a crime committed in Japan, but this has not happened.

The United States has gradually given up its claims to jurisdiction over the years. In 1957, for example, there was an uproar when an American soldier shot and killed a Japanese woman.

Defense Secretary William J.

Perry is scheduled to arrive in Tokyo early next week for talks with Japanese officials on how to ease tensions and reaffirm the security relationship.

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There was a debate in the United States about whether an American soldier could be tried in a Japanese court, but eventually the United States handed the suspect over and he was convicted. The soldier was never sent to prison, however, but was released and returned to the United States.

Now, however, American soldiers are routinely convicted in Japanese courts and serve their sentences in Japanese prisons.

Preserved organs, tissues and fluids in the bodies could yield unfragmented DNA for genetic studies, as well as insights into Inca health and nutrition.

The artifacts should provide valuable information about the still somewhat mysterious Inca religion.

On a more unscientific level, the discovery evoked the past not in stone or bone but in an eerie bodily form. In 1991, a man from the early Copper Age 5,000 years ago in Europe seemed to step into the present, with the discovery in the Alps of his frozen corpse on the Austrian-Italian border.

If the Alps could have its Iceman, as the find is popularly called, then the Andes now has its icewoman.

The new discoveries were made in recent weeks and announced Tuesday by Johan Reinhard, an American archaeologist and mountaineer. He described the findings in a telephone interview from Arequipa, Peru, and at a news conference there at the Catholic University of Santa María, where the bodies are stored in a freezer.

"It is certainly one of the most important discoveries in Peru since the Lord of Sipán," said Sonia Guillén, a Peruvian bioanthropologist who specializes in mummy studies. She was referring to the excavation in 1987 of a royal tomb at Sipán, in northern Peru, that contained a wealth of gold from a little known pre-Inca civilization called the Moche.

Ms. Guillén, who is associated with Mallque, a biological

research institute in Ilo, Peru, is to take a leading role in the conservation and study of the mummies.

Konrad Spindler, an archaeologist at the University of Innsbruck in Austria and director of research on the Alpine Iceman, has arrived at Arequipa to help plan research on the bodies. The analysis will be financed in part by the National Geographic Society, which issued an announcement of the discovery in Washington.

"These bodies apparently are partly frozen but not freeze-dried — a first in the Andes," said George Stuart, chairman of the National Geographic Society's research and exploration, explaining the unusual nature of the bodies' preservation and their potential for study.

Craig Morris, a curator of South American archaeology at the American Museum of Natural History in New York, said the most significant part of the find might turn out to be the artifacts associated with the ritual sacrifices.

The Inca, he said, worshiped the landscape and particularly the high mountains, which they believed must be appeased with human sacrifices. Mountains to them were the source of water and weather and terror in the form of avalanches and blizzards.

What is learned about human sacrifices by the Inca could be compared to and contrasted with what is known about those of other early cultures.

Mr. Reinhard said that sacrificial victims were often prepubescent boys or young women, probably virgins, whose innocence would please the Inca deities. After considerable indoctrination, the victims presumably climbed the mountain and voluntarily submitted to their death at the hands of priests.

CONFERENCES & EXHIBITIONS

12-17 DECEMBER 1995

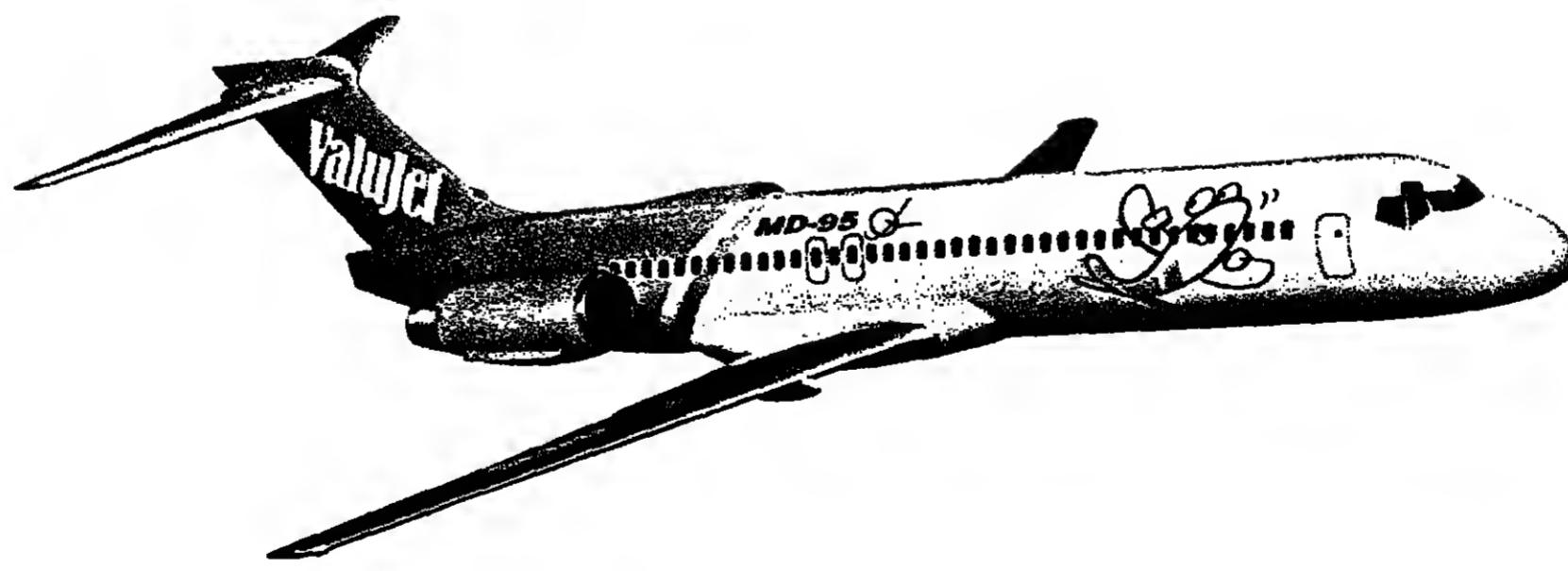
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CRASH — Five people were killed when a train struck a school bus on Wednesday in Fox River Grove, Illinois.

Introducing The
MD-95. The
Jetliner For The Airline
Of The **21st** Century.



On Thursday, October 19, 1995, ValuJet and McDonnell Douglas signed an agreement to launch the 100-passenger MD-95. From all of us at McDonnell Douglas, especially the people of our commercial division, Douglas Aircraft, congratulations and thank you to everyone at ValuJet.

MCDONNELL DOUGLAS

HEALTH/SCIENCE

Listening to the Sun

By Malcolm W. Browne
New York Times Service

NEW YORK — The Sun's titanic roar is inaudible to human ears, but a global network of listening devices has begun to eavesdrop on the star's noisy digestive system, and scientists expect the sounds to yield solutions to many long-standing solar mysteries.

The newly completed \$20 million Global Oscillation Network Group, known by its acronym GONG, consists of six solar observatories, spaced around Earth so that the Sun will nearly always be within view of at least one of them. The system, financed by the National Science Foundation, took a decade to build and began operation on Oct. 5.

Solar physicists expect that by listening to the Sun continuously, freed from the nighttime interruptions imposed on individual observing sites, the synchronized global network will reveal many details of the Sun's complicated dynamics as it consumes hydrogen fuel.

"Despite the exquisite images we have of the Sun's surface, we know almost nothing about its interior," said Dr. John Leibacher of the National Solar Observatory in Tucson, Arizona, chief scientist of the GONG project. "Now we can use GONG to peer into the solar interior from Earth. Then we can use what we learn about the Sun as a Rosetta stone to understand other stars in the rest of the universe. We'll also learn

more about how the Sun affects our own planet."

Dr. John Harvey, of the National Solar Observatory, who designed the instruments that make up the GONG network, believes there is now a chance of answering such fundamental questions as these: How, exactly, does the Sun derive power from hydrogen fusion? Why are far fewer neutrinos emitted by the Sun than nuclear physicists had predicted? Why does the Sun have spots? How much longer will the Sun sustain life on Earth? And finally, what is the explanation for maddening observations suggesting that certain stars are older than the entire universe?

"Until recently," Dr. Harvey writes in the current issue of *Physics Today*, "it seemed impossible to resolve these questions by studying the 99.95 percent of the solar system's mass that is contained within the Sun." But the deeply penetrating sound waves that permeate the Sun, he said, can reveal far more of the Sun's interior details than ever was possible with light or other forms of radiation.

THE GONG network will be the main ground-based system for observing solar oscillations during the next three years, but several other projects will complement its research program. Solar oscillations are being measured by teams in France and Taiwan. Next month, the National Aeronautics and Space

Administration plans to launch an Atlas rocket carrying a European Space Agency spacecraft called the Solar and Heliospheric Observatory, or SOHO. The craft will station itself at a point in space where the gravitational fields of Earth and the Sun cancel each other, and for two years the spacecraft will coast around that point while its battery of instruments measures the complex ringing of the Sun.

Dr. Harvey says these new projects herald "the threshold of a golden age for increased understanding of how stars work."

A sound wave of one frequency behaves differently from sounds of other frequencies, and the speeds and trajectories of all sound waves are strongly influenced by the densities and temperatures of substances through which they pass.

In general, the speed of a sound wave increases as the density of a substance increases, or as its temperature rises, or both. Thus, a sound wave moving inward toward the hot, dense core of the Sun moves faster and faster, and this effect bends it sharply as it reaches the bottom of its path and heads back up toward the surface.

Most of the notes generated by the Sun are far below the range of human hearing. Most have a pitch (or frequency) lower than one vibration every five minutes; by comparison, the lowest note a human ear can discern is about 20 vibrations per second.

The seething gases that churn the surface of the Sun produce noise, much of it too low to be heard by human ears and in any case not transmissible through the vacuum of space. But the noise can be seen, even if not heard. It produces millions of different oscillation patterns, called modes, which dimple the surface of the Sun, like the head of a drum, at points where the oscillations move gases up or down.

These dimples can be measured by sophisticated instruments on the Earth's surface.

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The GONG experiment will seek to detect differences in the Sun's internal rotation speeds by looking for "multiplets," or split absorption lines.

Changes in the magnetic field seem to have something to do with sunspots, which proliferate and die out in a cycle about 11 years long. The Sun is suspected of harboring many other cycles, including long-term changes in brightness, which may cause major changes in Earth's climate. Such changes may have contributed to some of Earth's mass extinctions, and might one day have terrible consequences for mankind.

The GONG Project, National Solar Observatory

The New York Times

Illustration by John Papasian; Solar resonance image, GONG Project

Source: GONG Project, National Solar Observatory

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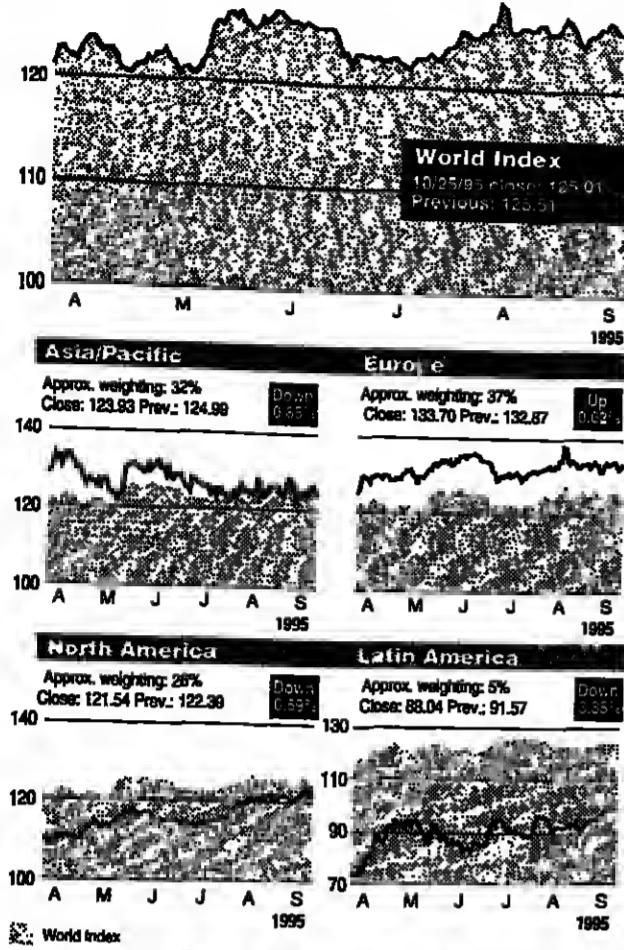
THURSDAY, OCTOBER 26, 1995

PAGE 13



THE TRIB INDEX: 125.01

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.

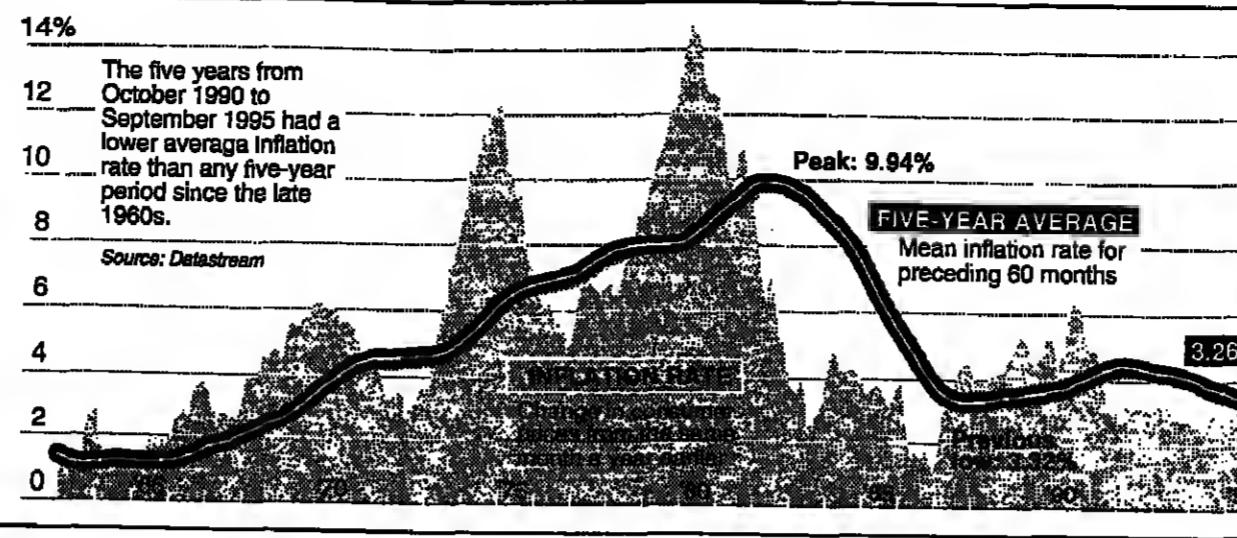


The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Japan, Luxembourg, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the top 20 issues in terms of market capitalization; otherwise the top 20 stocks are tracked.

Industrial Sectors		
Wed. close	Prev. close	% change
Energy 124.28	123.85	+0.33
Utilities 125.83	123.73	-1.08
Finance 116.28	116.75	-0.40
Services 115.92	116.54	-0.53

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92251 Neuilly Cedex, France.

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The New York Times

**Don't Count Out U.S. Inflation Yet
As Economic Debate Roars, the Real Test Is Coming**

By Peter Passell
New York Times Service

NEW YORK — Remember WIN buttons? Those relics of the mid-1970s, with their "Whip Inflation Now" slogan avidly promoted by then-President Gerald R. Ford, are collector items today, reminders of a misty past that apparently shows no signs of returning.

Indeed, the United States has just gone through five straight years of the lowest level of consumer price inflation since the economy's golden run in the mid-1960s.

But if inflation, now at less than 3 percent, is down, it may not yet be time to count it out.

A hot debate has erupted between those who contend that the economy has changed so fundamentally that inflation is no longer a serious threat and those who worry that efforts to stimulate the economy beyond its natural capacity could again stir the beast from its slumber.

On one side are politicians of both the right and left, much of the labor movement and a growing number of business leaders. They argue that the Federal Reserve Board, because of an outdated fear of inflation, has suppressed growth by keeping interest rates too high and credit too tight.

"There's no sign of pricing pressure anywhere," John Welch, the chief executive of the General Electric Co., said at a meeting of the Business Council in Williamsburg, Virginia, this month. "This economy can grow more than 2 or 2 1/2 percent," he asserted, "and we ought to let

it do it."

But Mr. Welch's optimism is not shared by many on Wall Street and much of the economics establishment. While economists are intrigued by fragmentary evidence that fierce competition and corporate restructuring have caged both price and wage increases, they remain skeptical whether the underlying forces have been tamed.

"It's much too early to declare victory," argued Robert Gordon, a leading economist at Northwestern University.

"The relationship between unemployment and inflation has held for two decades and is one of the best documented linkages."

What worries many specialists is that inflation has stayed unexpectedly low so far in the 1990s only because of special factors that are unlikely to be repeated. If the economy continues to advance and the jobless rate creeps lower, they say, it is only a matter of time before prices begin to rise at an accelerating pace.

Those thoughts were echoed by the Fed chairman, Alan Greenspan, at a speech last week to the Economic Club of Chicago. "We have to be careful not to lull ourselves into the presumption that somehow the institutional structure of the American economy and its increasing globalization is permanently suppressing inflation," he said.

Mr. Greenspan added that workers, still insecure in their jobs after years of layoffs and corporate downsizing, have not pressed for higher wages, out of fear of losing their jobs. But there will eventually

come a point, Mr. Greenspan said, "when workers will perceive that it no longer makes sense to trade off wage progress for incremental gains in expected job security."

So who's right? No one can say for sure, but the next year or so is likely to test the economy's sensitivity to inflation. For all its vows of vigilance, the Fed is under political pressure to push interest rates down even though unemployment, at 5.5 percent, is already less than the level of roughly 6 percent that has tended to spur higher prices in the past.

That will be particularly true if the White House and Congress manage to agree on a plan to eliminate the budget deficit over the next several years.

Squeezing from one side is President Bill Clinton, who wants a strong economy to aid his re-election bid. From the other, congressional Republicans need rapid growth to generate the tax revenues to meet their budget goals.

Nobody on either side of the debate is predicting a return to the double-digit inflation rates of the 1970s.

In the oil shocks of that decade, Washington was inclined to avoid recessions at all cost, accommodating higher energy prices by sharply expanding the money supply.

But that same path was not pursued after the spike in oil prices following Iraq's invasion of Kuwait in 1990. Indeed, the Fed accepted a recession as the cost of emphasizing the point that price stability was Job One.

**Rising Sales
And Cost Cuts
Lift VW Profit**

Compiled by Our Staff From Dispatches

WOLFSBURG, Germany —

Volkswagen AG said Wednesday that its net profit reached 185 million Deutsche marks (\$132.6 million) in the first nine months, compared with a loss of 73 million DM in the same period a year ago, due to rising sales volume and to rationalization measures.

The German carmaker said sales rose 11 percent, to 65.1 billion DM, in the first nine months.

"For the whole year, Volkswagen expects a recognizably better result than in 1994 because of rising production and unit sales, and in particular thanks to the success of the transformation process for the concern," the company said.

The company's net profit last year was 149 million DM and it had reported a net profit of 113 million DM for the first half.

Excluding VW's Skoda, SEAT and Audi units, net profit rose to 215 million DM in the first nine months, compared with a figure of 107 million DM in the same period a year earlier.

Volkswagen said deliveries of all models rose 6.4 percent, to 2.66 million cars, compared with 2.50 million in the year-earlier period.

"This is so remarkable because the results of the third quarter were negatively influenced by dropping production in connection with wage negotiations this year," the company said.

Production fell behind schedule because of strikes and walkouts during wage talks.

The company made an agreement with its workers over wages and working hours with the aim of making production more flexible.

The news cheered investors as the share price climbed to 434.80 DM, up 2 percent, or

9.30 DM, from its closing quote on Tuesday.

The analysis said the results were the product of steps Volkswagen took to make itself more competitive after it reported record losses in 1993.

"VW had left its sales to market forces and only watched as competitors increased their sales," said Peter Schmidt, an analyst at AutoMoive Industry Data. "But these numbers show that VW has a new competitive spirit."

He and others said VW achieved the sales growth mostly outside Germany market and by offering buying incentives.

"They are buying market share," said Sabine Bluemel, an analyst at IMI Sigma UK.

Analysts noted that Volkswagen has been able to achieve double-digit sales growth in many major European markets with incentives on trade-ins of used cars.

In Germany itself, VW was slow to match other makers with such trade-in incentives and its sales only picked up after such programs were implemented, they said.

Analysts warned, however, that profits will not be able to keep up with sales growth.

They said that Volkswagen's inexpensive Polo model, which has sold well throughout Europe, has eroded sales of the company's Golf model, which boasts greater profit margins.

Analysts said nevertheless that efforts by Volkswagen to keep wage costs down and improve efficiency would help the company in the long term.

One analyst calculated that Volkswagen currently has to produce at only 85 percent of capacity to make a profit, while only a few years ago it had to produce at capacity between 95 percent and 100 percent.

(Bloomberg, Reuters)

INTERNATIONAL MANAGER

The Insurers' China Policy: Get a Life

By Kevin Murphy
International Herald Tribune

HONG KONG — Three years into China's experiment with allowing foreign insurers into its vast market, two alone are actually writing business.

That leaves more than 70 companies from 13 countries with offices throughout China, where the main game is making friends and waiting for the good times to roll.

The People's Bank of China, the central bank, is moving cautiously as it comes to grip with regulating a modern insurance marketplace and how best to protect consumers and existing domestic insurers alike.

"We could only gradually explore the feasibility and steps of opening up the insurance market based on experimentation," said Yang Wenyu, director of the central bank's foreign financial institutions department in a recent China Daily report that suggested one or two more new licenses would be issued "in the near future."

But aspiring foreign life insurers think they can help speed the process and build some useful *guanxi*, or connections, through increasingly heavy investment in training and education for future Chinese regulators and executives.

"The competition has become quite intense for a license," said Andre Kabel, chief financial executive for National Mutual Asia Ltd., whose Australian parent was bought by Axa SA of France in November.

National Mutual Asia is leaving nothing to chance.

Since opening a representative office in Beijing in 1993, National Mutual Asia has sponsored training visits to Hong Kong and Melbourne for insurance officials from the Chinese central bank and executives from the state-owned People's Insurance Co. of China.

In addition, National Mutual Asia is spending 10 million Hong Kong dollars (\$1.3 million) at Chinese universities for accounting and actuarial studies, computers and aid for local lecturers from some of the country's most prestigious institutes to go abroad.

Targeting potential customers, Nation-

al Mutual Asia also sponsors a twice-weekly radio program on national radio and a weekly newspaper column in financial dailies.

"There is a lot of money-based lobbying going on in China, but we've decided to focus on demonstrating our ability to assist in market development," Mr. Kabel said.

But others among the 70-odd companies trying to join the already-approved Tokio Marine & Fire Insurance Co. and American International Group, in the lucrative market, have entered the education stakes as well.

Aetna International Inc., recently announced plans to establish a business school at Jiao Tong University in Shanghai, a commitment that could require \$10 million to be invested over time.

Aetna, too, has trained Chinese insurance executives and contributed to scholarship programs for higher education, an area that is in desperate need of new funds as Chinese institutions face rising costs and the loss of teaching ranks to the commercial sector.

But however much the foreign insurance companies spend on developing the market — new regulations require all companies to choose between offering life and general insurance — the lucky ones expect to soon recoup the investment.

In the long term, as Beijing moves to demand the cradle-to-grave welfare system, a strong national tradition of saving is expected to further benefit a life insurance market now dominated by People's Insurance and a handful of new domestic rivals.

For Alcatel, which in the first half of 1995 posted its first loss of more than 1 billion French francs (\$204.6 million), the move marks the beginning of attempts by its new chairman, Serge Tchuruk, to streamline operations and divest noncore businesses.

As part of the exchange, Générale Occidentale SA, Alcatel's media unit, will transfer its stake in Groupe de la Cité SA, a publisher of technical books and dictionaries, to CEP Communications shares.

The four companies announced on Wednesday they would join forces to op-

Siemens and Motorola Plan U.S. Plant

Compiled by Our Staff From Dispatches

BONN — Siemens AG, the German electronics company, and Motorola Inc. said Wednesday they would build a semiconductor plant in the United States for \$1.5 billion as part of a global semiconductor alliance.

The plant, a fully integrated facility for chip production, assembly and testing, will eventually employ around 13,000 people. No decision has been made on its location.

Construction of the plant will begin next year and chip manufacturing could start in early 1998, they said.

The deal is part of Motorola's entry into a broader alliance with Siemens, International Business Machines Corp. and Toshiba Corp. of Japan in the development of the next generation of advanced semiconductors.

The four companies announced on Wednesday they would join forces to op-

grade existing 64- and 256-megabyte chips and cooperate on next-generation one-gigabyte dynamic random-access memory or DRAM chips, which would have four times the memory of a 256-megabyte chip. This would allow the storage of 100,000 double-spaced pages of typewritten text on a single chip.

Siemens said the costs of developing the one-gigabyte chip would run as high as \$1.3 billion.

Motorola researchers will join development teams from IBM, Siemens and Toshiba working on high-density memory chips at IBM's Advanced Semiconductor Research and Development Center.

IBM, Siemens and Toshiba have already collaborated on 64- and 256-megabyte DRAM chips, and IBM has worked with Motorola and Apple Computer Inc. on the PowerPC chip.

Such alliances have become common

because development costs are so steep that one enterprise alone can no longer finance new generations of semiconductors.

"I wouldn't be surprised if other partners joined the alliance," said Jürgen Hackenberg, an analyst with Deutsche Bank's research arm.

Commenting on the feverish pace of investment in the industry, Jürgen Knorr, head of the Siemens semiconductor division, said the companies were still far from satisfying skyrocketing demand.

"Originally, it was estimated that this market would have a value of around \$200 billion by the year 2000. But the latest forecasts are for \$300 billion," he said.

Advanced semiconductors are used to power a range of products including personal computers, telecommunications, consumer electronics and automation for multimedia applications.

(Reuters, Bloomberg, AP)

Alcatel Swaps Units for Stake in Havas

Compiled by Our Staff From Dispatches

PARIS — Alcatel Alsthom, Europe's biggest telecommunications equipment maker, said Wednesday it was transferring all its press holdings to CEP Communications, a unit of media group Havas SA, in exchange for a 21.2 percent stake in Havas.

For Alcatel, which in the first half of 1995 posted its first loss of more than 1 billion French francs (\$204.6 million), the move marks the beginning of attempts by its new chairman, Serge Tchuruk, to streamline operations and divest noncore businesses.

As part of the exchange, Générale Occidentale SA, Alcatel's media unit, will transfer its stake in Groupe de la Cité SA, a publisher of technical books and dictionaries, to CEP Communications shares.

"We didn't disengage pure and simple to raise cash," Mr. Tchuruk said. The company decided "not to sell directly for cash" because it still values its seven-year-old close relationship with Havas.

The stake in Havas will make Alcatel the media company's biggest shareholder. Alcatel will get two seats on the Havas board.

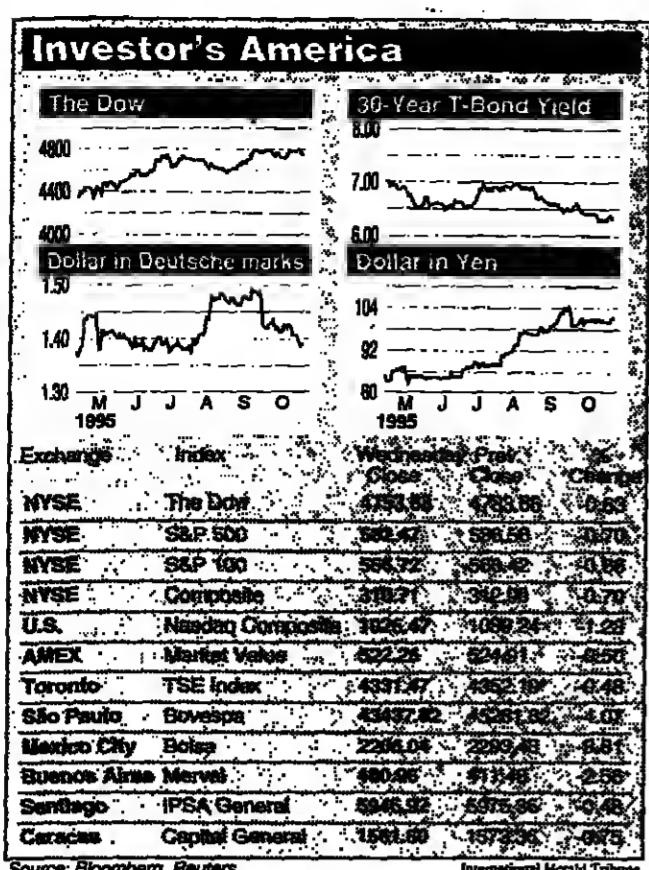
Alcatel Alsthom also has agreed not to sell any of its Havas shares for two years until the end of 1998, a spokeswoman for the company said.

"After the end of 1998, the group is free to do what it wants with its stake," she said.

The operation will make Havas one of the world's largest communications companies, which in turn will own all of Groupe de la Cité.

"We didn't disengage pure and simple to raise cash," Mr. Tchuruk said. The company decided "not to sell directly for cash" because it still values its seven-year-old close relationship with Havas.

The China Securities Regulatory Commission said that futures exchanges must "strictly control" trading, and



Source: Bloomberg, Reuters

Very briefly:**U.S. Robotics Makes Bid for Hayes**

NEW YORK (AP) — U.S. Robotics Corp., a leading maker of computer modems, has offered to acquire Hayes Microcomputer Products Inc., saying it would pay its rival's debt and add nearly \$100 million of its own stock.

Hayes, which set the technical standard in modem design, has been reorganizing under bankruptcy-court protection since last fall. It owes creditors between \$60 million to \$85 million. U.S. Bankruptcy Judge Hugh Robinson in Atlanta, who is presiding over the Hayes reorganization, would have to approve the transaction.

* Occidental Petroleum Corp. said it would consolidate its worldwide crude oil and natural gas operations. Decisions about layoffs would be revealed in January.

* United Technologies Corp. said that its profits grew by 12 percent, to \$210 million, in the third quarter as four of its five business segments recorded double-digit income gains. Sales increased 8 percent, to \$5.65 billion, in the quarter.

* Dow Corning Corp. earned \$47.3 million in the third quarter, up 36 percent from the same quarter a year ago, largely on the strength of sales growth in Asia.

* Bethlehem Steel Corp. said rising demand for cars and healthy construction and industrial markets helped it more than triple its third-quarter earnings, to \$34 million, from \$10 million a year earlier.

Knight-Ridder, AP, Reuters

Global Sales Spur Earnings at P&G

Bloomberg Business News

CINCINNATI — Procter & Gamble Co. said Wednesday that its first-quarter earnings rose 13 percent on higher international sales and the benefits of continued cost cutting.

The maker of Tide detergent, Crest toothpaste and Pampers disposable diapers said earnings for the quarter ended June 30 rose to \$896 million, or \$1.27 a share, up from \$792 million, or \$1.12 a share, a year earlier. Revenue rose 10 percent to \$9.03 billion from \$8.18 billion.

The result matched Wall Street expectations of \$1.27 a share, the average estimate of 15 analysts surveyed by First Call Corp.

Worldwide unit volume rose 9 percent, compared with a year ago, setting a shipment record, the company said. Sales and earnings benefits from stronger European and Asian currency translations were offset

by the weaker Mexican peso.

"Our focus on share growth in key categories and cost control continues to produce sales and earnings growth, providing a solid start to our fiscal year," said John Pepper, P&G's chairman and chief executive.

Shares in the Cincinnati-based company were down 37.5 cents, at \$82.87, in mid-afternoon trading.

The company reported the following regional results:

* In Europe, the Middle East and Africa, unit volume rose 12 percent, compared with the year-ago period, with strength in the laundry and cleaning businesses.

* Asia posted a 22 percent rise in unit volume, led by China, with increases of 12 percent in sales and 9 percent in earnings.

* North America had record shipments, with unit volume up 6 percent, driven by the food and beverage business.

* Latin America achieved 6 percent unit growth, despite a 3 percent decline in Mexico.

Net income for the three-month period ended Sept. 30 increased to \$186 million, or 37 cents a share, from \$163 million, or 33 cents, a year earlier. Revenue rose 9 percent to \$4.7 billion.

The results were just shy of analysts' expectations.

"Each of Sara Lee's four lines of business posted double-digit profit gains and increased sales for the first quarter, positioning us well for sustained growth throughout fiscal 1996," said John H. Bryan, the company's chairman.

Cost Cuts Raise Du Pont Profit By 19%

Compiled by Our Staff From Dispatches

WILMINGTON, Delaware — Du Pont Co. reported a 19 percent increase in third-quarter earnings on Wednesday, citing improved profit margins from cost controls and a modest sales increase.

Net income for the three months ended Sept. 30 totaled \$769 million, compared with \$647 million a year earlier. The company said it had record earnings for a third quarter of \$1.38 per share up from 95 cents a year earlier.

Per-share earnings rose more than overall earnings because the company had 18 percent less stock outstanding after the

redemption of shares from Seagram Co. in April. The New York-based distiller sold its 24 percent stake in Du Pont for \$8.8 billion to raise money to buy 80 percent of the entertainment company MCA.

Third-quarter sales were \$10.2 billion, a 4 percent increase over the comparable period last year.

John A. Krol, president of Du Pont, said that the increased earnings came despite a slowdown in some of the company's international markets, which pressured sales from environmental cleanups was partly offset by charges of \$39 million, for litigation costs, asset write-downs and restructuring. (Reuters, AP, Bloomberg)

"In spite of these conditions, emphasis on cost control allowed us to generate solid earnings gains and to continue our ongoing growth in achieving profitable growth worldwide," Mr. Krol said.

Chemical profits led the earnings increase, more than doubling to \$1.62 million in the third quarter. Petroleum accounted for 43 percent of sales and 23 percent of profit.

In the latest quarter, a charge of \$67 million from an insurance reimbursement from environmental cleanups was partly offset by charges of \$39 million, for litigation costs, asset write-downs and restructuring. (Reuters, AP, Bloomberg)

Dollar Gains on Yen, Mixed in Europe

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose against the yen Wednesday but was mixed against European currencies after Hans Tietmeyer, the president of the Bundesbank, said the U.S. currency was undervalued.

"I regard the dollar and some European currencies as being on the undervalued side," Mr. Tietmeyer said.

The dollar rose to 101.18 yen, from 100.50 yen at the close Tuesday. It slipped, however, to 1.3920 Deutsche marks from 1.3945 DM.

The dollar slipped against the mark amid

concern that political tension in Europe would drive the German currency higher.

The dollar rose to 4.9005 French francs from 4.8685 but fell to 1.1325 Swiss francs

from 1.1295.

The most likely trigger for renewed market strength is the no-confidence motion against Prime Minister Lamberto Dini of Italy, which is set for a vote in parliament Thursday.

"If the no-confidence vote gets through we'll have a new lira crisis on our hands," which will bolster the mark against other European currencies and the dollar, said Mike Jones, foreign-exchange manager at ABN-Amro Bank in London.

The Mexican peso fell to its lowest level in 11.360. The pound edged higher, to 1.5795 from 1.5790.

The Canadian dollar edged lower on concern that Quebec voters would choose independence in a vote Monday. The U.S. dollar fetched 1.3692 Canadian units, up from 1.3675. (Bloomberg, AP)

Markets Closed

Stock markets in Bombay and Taipei were closed Wednesday for a holiday.

SET Index: 1274.53

Previous: 1274.58

DAX Index: 1191.13

Previous: 1191.28

FTSE Index: 3532.73

Previous: 3532.74

Hang Seng Index: 1744.71

Previous: 1742.64

Kospi Index: 1047.71

Previous: 1047.71

Kospi Composite Index: 1047.71

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Kospi Tech Index: 1047.71

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Kospi 4300 Index: 1047.71

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Kospi 4400 Index: 1047.71

Previous:

The 1995 International Herald Tribune Survey

YOU AND THE INTERNATIONAL HERALD TRIBUNE...

► Changes have recently been made to the content and format of the IHT. How satisfactory do you now find the contents and format? Which items would you like to see more of?

Overall	More satisfactory	the same	Less satisfactory	More of
New look page 2 incorporating "feature" article	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
"Signposting" of the different sections of the newspaper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Geographic balance of news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
USA news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
European news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asian news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Latin American news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business pages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Science/Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personal Health	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leisure/travel information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business travel information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

► How often do you read or look at the IHT?

5-6 days a week	<input type="checkbox"/>	1-2 days a week	<input type="checkbox"/>
3-4 days a week	<input type="checkbox"/>	Less than once a week	<input type="checkbox"/>

► How do you usually obtain copies of the IHT?

Home Subscription	<input type="checkbox"/>	Other Office Subscription	<input type="checkbox"/>
Colleague/Friend	<input type="checkbox"/>	Newsstand	<input type="checkbox"/>
Personal Office Subscription	<input type="checkbox"/>	Airline/Hotel	<input type="checkbox"/>

► Who also usually reads your copy of the IHT?

Spouse/partner	<input type="checkbox"/>	Family/Friends	<input type="checkbox"/>
Colleagues/associates	<input type="checkbox"/>	None of these	<input type="checkbox"/>

► And how many people excluding yourself usually read your copy of the IHT?

One	<input type="checkbox"/>	Three	<input type="checkbox"/>	Five or more	<input type="checkbox"/>
Two	<input type="checkbox"/>	Four	<input type="checkbox"/>	No-one else	<input type="checkbox"/>

► How long do you usually spend with an issue of the IHT, taking into account all the times you look at it?

Less than fifteen minutes	<input type="checkbox"/>	30 minutes - 60 minutes	<input type="checkbox"/>
15 minutes - 30 minutes	<input type="checkbox"/>	Over one hour	<input type="checkbox"/>

► How do you find the coverage on the IHT business pages...

Financial Statistics	<input type="checkbox"/>	Coverage just right	<input type="checkbox"/>	Too little coverage	<input type="checkbox"/>
Business News	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
Business Features and Analysis	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>

► How do you find the amount of the following financial statistical tables in the IHT business pages?

New York Stock Exchange	<input type="checkbox"/>	Too much	<input type="checkbox"/>	Just right	<input type="checkbox"/>	Too little	<input type="checkbox"/>
American Stock Exchange	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
NASDAQ	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
International Futures	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
Currency Markets	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>

► Would you like to receive additional information from the IHT via the following means...

Internet	<input type="checkbox"/>	Yes	<input type="checkbox"/>
E-Mail	<input type="checkbox"/>	No	<input type="checkbox"/>
Fax	<input type="checkbox"/>		<input type="checkbox"/>

If you would like to make any comments/suggestions about the contents of the IHT, please do so on the reverse of this page, after completing the rest of the questions. When you have completed the questionnaire, please return it to RSL using the folding instructions on the reverse. Freepost applies in most countries.

AIR TRAVEL...

► For each of the countries or areas listed below please indicate which you have visited by air on business in the last 12 months?

Austria	<input type="checkbox"/>	Japan	<input type="checkbox"/>
Belgium/Luxembourg	<input type="checkbox"/>	Korea	<input type="checkbox"/>
France	<input type="checkbox"/>	Malaysia	<input type="checkbox"/>
Germany	<input type="checkbox"/>	New Zealand	<input type="checkbox"/>
Italy	<input type="checkbox"/>	Philippines	<input type="checkbox"/>
Netherlands	<input type="checkbox"/>	Singapore	<input type="checkbox"/>
Scandinavia/Finland	<input type="checkbox"/>	Taiwan	<input type="checkbox"/>
Spain	<input type="checkbox"/>	Thailand	<input type="checkbox"/>
Switzerland	<input type="checkbox"/>	Other Asia/Pacific	<input type="checkbox"/>
UK	<input type="checkbox"/>	USA	<input type="checkbox"/>
Russia	<input type="checkbox"/>	Canada	<input type="checkbox"/>
Other Central/Eastern Europe	<input type="checkbox"/>	South America	<input type="checkbox"/>
Australia	<input type="checkbox"/>	Central America/Caribbean	<input type="checkbox"/>
China	<input type="checkbox"/>	Middle East	<input type="checkbox"/>
Hong Kong	<input type="checkbox"/>	South Africa	<input type="checkbox"/>
India	<input type="checkbox"/>	Other Africa	<input type="checkbox"/>
Indochina	<input type="checkbox"/>	Other	<input type="checkbox"/>

► Approximately how many international trips by air have you made in the last 12 months, (a) mainly for business purposes?

(b) in total including business and personal trips?			
Business	Total	Business	Total
1-2 trips	<input type="checkbox"/>	20-34 trips	<input type="checkbox"/>
3-5 trips	<input type="checkbox"/>	35 or more trips	<input type="checkbox"/>
6-10 trips	<input type="checkbox"/>	None	<input type="checkbox"/>
11-19 trips	<input type="checkbox"/>		<input type="checkbox"/>

► For business trips what class of travel do you usually use?

First Class	<input type="checkbox"/>	Trips up to 4 hours	<input type="checkbox"/>
Business Class	<input type="checkbox"/>	Trips of 4 hours or more	<input type="checkbox"/>
Economy	<input type="checkbox"/>		<input type="checkbox"/>

► Approximately how many nights have you spent in hotels in the last 12 months?

1-7	<input type="checkbox"/>	30-49	<input type="checkbox"/>	100 or more	<input type="checkbox"/>
8-14	<input type="checkbox"/>	50-74	<input type="checkbox"/>		<input type="checkbox"/>
15-29	<input type="checkbox"/>	75-99	<input type="checkbox"/>	None	<input type="checkbox"/>

► When making your travel plans, do you personally specify...

the airline(s)	<input type="checkbox"/>	Yes	<input type="checkbox"/>
the hotel(s)	<input type="checkbox"/>	No	<input type="checkbox"/>

► In the last 12 months have you...

Flown in a privately chartered aeroplane	<input type="checkbox"/>	Yes	<input type="checkbox"/>
Used your company's private aeroplane	<input type="checkbox"/>	No	<input type="checkbox"/>

Herald Tribune

THE WORLD'S DAILY NEWSPAPER

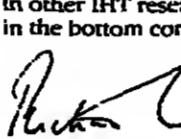
Dear Reader

RSVP!

Every day we write this newspaper for you. Occasionally we ask you to fill in a page for us. Each person reading this letter is important to us: whether you are a subscriber, a regular reader, an occasional reader or first-time reader. We need a clear picture of you, so that we can deliver a newspaper which satisfies your needs and interests as well as helping the commercial activities of the IHT.

You may be reading this letter in your home, your office or in an aeroplane; as the IHT circulates in 181 countries, the questionnaire which appears on this page is our best method of reaching you. Our 'thank you' is to send food and clothes to children in need world-wide and support an eye hospital in Asia as well as other charities. Over recent years this Survey has raised more than US\$50,000 in charitable donations: please help make 1995 a record year!

Your reply will be treated in strictest confidence by the research company RSL-Research Services Ltd. If you are willing to participate in other IHT research projects please fill in your name and address in the bottom corner of this questionnaire. Thank you in advance.



Richard McClean
Publisher and Chief Executive

P.S.

A Dollar To A Charity Of Your Choice

Please indicate which of these charities should benefit from your dollar donation.

A child in:	Or		
Bosnia	<input type="checkbox"/>	Worldwide	<input type="checkbox"/>
Brazil	<input type="checkbox"/>	Fund for Nature	<input type="checkbox"/>
India	<input type="checkbox"/>	Red Cross	<input type="checkbox"/>
Iraqi Kurdistan	<input type="checkbox"/>	Cancer Research	<input type="checkbox"/>
Rwanda	<input type="checkbox"/>	Project ORBIS	<input type="checkbox"/>

(an eye hospital in Asia)

ABOUT YOUR LIFESTYLE...

► Which of the following do you use these days?

Personally	For Business
Personal computer	<input type="checkbox"/>
Laptop/notebook/handheld computer	<input type="checkbox"/>
Electronic mail/fax	<input type="checkbox"/>
CD ROM	<input type="checkbox"/>
Cellular/mobile phone	<input type="checkbox"/>
Tele/video conferencing	<input type="checkbox"/>
The Internet/other on-line services	<input type="checkbox"/>
- for business and finance information	<input type="checkbox"/>
- for general information	<input type="checkbox"/>

► Which, if any, of the following publications do you read regularly (at least 3 out of 4 issues)?

Financial Times	<input type="checkbox"/>	The Economist	<input type="checkbox"/>
USA Today	<input type="checkbox"/>	The European	<input type="checkbox"/>
The Asian Wall Street Journal	<input type="checkbox"/>	Far Eastern Economic Review	<input type="checkbox"/>
The Wall Street Journal Europe	<input type="checkbox"/>	Newsweek	<input type="checkbox"/>
BusinessWeek	<input type="checkbox"/>	Time	<input type="checkbox"/>

► In the last 12 months did you...

Play golf	<input type="checkbox"/>	Yes	<input type="checkbox"/>
Play tennis	<input type="checkbox"/>	No	<input type="checkbox"/>
Belong to a golf club	<input type="checkbox"/>		<input type="checkbox"/>
Belong to a sports/health club	<input type="checkbox"/>		<input type="checkbox"/>
Use a yacht/motor boat	<input type="checkbox"/>		<input type="checkbox"/>
Collect art/jewellery/antiques	<input type="checkbox"/>		<input type="checkbox"/>
Go to theatre/opera/concerts	<input type="checkbox"/>		<input type="checkbox"/>
Take two or more weekend breaks abroad	<input type="checkbox"/>		<input type="checkbox"/>

WRITE IN NUMBER _____

► What is the make and model of your main car?

WRITE IN: _____

Is it... under 1999 cc 2000-3000 cc over 3000 cc

► How important is country of origin of manufacturer when choosing a new car?

Very important Fairly important Not important

YOUR WORK...

► Are you currently:

Working full/part time Not in full time work/other

A student Retired

► What is your job title or position?

Owner/Partner	<input type="checkbox"/>	Politician/Minister	<input type="checkbox"/>
Chairman/President/CEO	<input type="checkbox"/>	Diplomat/Senior Government Official	<input type="checkbox"/>
Managing Director	<input type="checkbox"/>	Other Senior Position	<input type="checkbox"/>
Vice President	<input type="checkbox"/>	Other Manager	<input type="checkbox"/>
General Manager	<input type="checkbox"/>	Professional (e.g. Medical/legal/education)	<input type="checkbox"/>
CFO/Finance Director/Treasurer	<input type="checkbox"/>	Department Head	<input type="checkbox"/>
Other Director	<input type="checkbox"/>	Consultant	<input type="checkbox"/>
Department Head	<input type="checkbox"/>	Other job/position (WRITE IN) _____	<input type="checkbox"/>

► Are you the most senior executive in your organisation?

Yes No

► Are you on the Board of Directors?

(a) of the company for which you work? Yes No

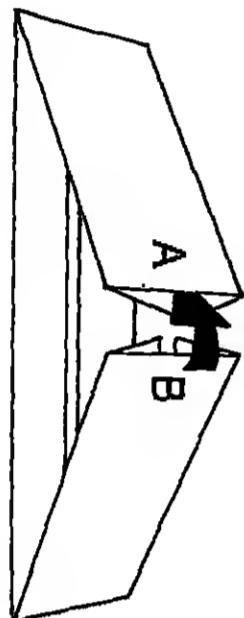
(b) of a company other than the one for which you work? Yes No

A

FIRST FOLD

SECOND FOLD

THIRD FOLD



FOLD IN SEQUENCE
First fold to Fourth fold.
Then tuck Flap B into Flap A.

P

By air mail
Par avionIBRS/CCRI NUMBER: PHQID/591/HA
IF OUTSIDE EUROPE PLEASE AFFIX STAMP

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GRANDE-BRETAGNE**

Mrs E.D. Mitchell, Chairman & Chief Executive
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B

Herald INTERNATIONAL Tribune

THE International Herald Tribune has donated around \$50,000 to charity, on behalf of our readers, in connection with periodic reader studies like this one.

PLEASE help us continue this important program by completing and forwarding the questionnaire on the reverse side of this sheet.

Our warmest thanks for your help.

For Retailer, Breaking Up Is the Easy Way Out

By Jennifer Steinbauer
New York Times Service

NEW YORK — Melville Corp. is the latest and one of the largest retail companies to heed the demands of shareholders and finally accept the more-is-too-much philosophy.

Weary of institutional shareholders gnawing at its heels, Melville, one of the top 10 U.S. retailers, said on Tuesday that it planned a major reorganization by selling two of its chains and packaging the other seven into three separate, publicly traded companies.

The core of the new Melville

will be CVS, a drugstore chain with 1,356 stores nationwide and \$4.3 billion in sales, and two small but promising units, Linens 'n' Things, a housewares business, and Bob's, a small chain that sells casual clothing.

Melville's shoe businesses, Footaction, Thom McAn Shoe Co. and Melisco, will be sold to form a new company, Kay-Bee Toys, its mall-based toy chain, will be spun off as another.

The company also plans to consider creation of the three companies a move in the right direction, some grumbled that Melville should have smelled the coffee long ago. Two credit-

rating agencies, Moody's Investors Service and the Standard & Poor's Corp., put the company on review for a possible downgrade.

"We looked at several alternatives, and we feel this is a much clearer and focused way for people to look at our business," said Stanley P. Goldstein, chairman of Melville. "It will provide all three companies with strong balance sheets, and it will take costs off."

While most analysts considered creation of the three companies a move in the right direction, some grumbled that Melville should have smelled the coffee long ago. Two credit-

rating agencies, Moody's Investors Service and the Standard & Poor's Corp., put the company on review for a possible downgrade.

Melville, which is based in Rye, New York, is the latest and one of the largest retail companies to finally accept the more-is-too-much philosophy.

One way to satisfy shareholders demanding better returns — and therefore better stock performance — is to separate the losers in a company from the winners and allow management to be able to concentrate on a narrow range of businesses.

"Whether this was a good

thing or a bad thing, it was a necessary thing," said Barry Bryant, the senior director of institutional equity sales at Rodman & Renshaw Inc., a brokerage house. "The retail conglomerates have proven to be abysmal failures in almost every case."

The company will take a \$585 million charge in the fourth quarter to pay for the restructuring, on top of a previously disclosed charge of \$195 million it is taking for the sale of Marshall's, its lackluster off-price retail chain, to the T.J.X. Cos.

Institutional shareholders

such as the California Public

Employees' Retirement Fund and the Council of Institutional

Investors have been leaning on Melville to increase its return to investors, which have been depressed over the past several years by lagging sales in many of its chains.

The Reshaping of Melville: Dividing One Retailer Into Three

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NASDAQ

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The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press

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Daiwa Shares Fall On Fear Bank Will Lose Clients

Bloomberg Business News

OSAKA, Japan — Shares in Daiwa Bank Ltd. tumbled Wednesday as news that a Japanese pension fund manager would halt the flow of new funds to the bank fueled concern that Daiwa would lose customers.

Daiwa stock fell 28 yen, or 4 percent, to 622 yen (\$6.21). The shares have fallen 26 percent since Toshihide Iguchi, a bond trader at Daiwa's New York office, was charged with falsifying records in connection with \$1.1 billion in losses from unauthorized trading.

That revelation has been followed by a string of charges that bank executives, along with the Japanese Finance Ministry, concealed the losses from U.S. authorities.

The Pension Fund Association said it had stopped giving new funds to Daiwa Bank and that it may reduce the amount of money allotted to the bank. The association is waiting for the results of the investigation of the trading loss before it decides how much money it will let Daiwa manage, a spokesman said.

Chips Help Lift Fujitsu Net

Compiled by Our Staff From Dispatches

TOKYO — Fujitsu Ltd. said Wednesday that first-half profit soared from a year earlier because of booming sales of computer chips and cellular phones.

In the six months to Sept. 30, Fujitsu's group net profit jumped to 30.5 billion yen (\$305 million) from 5.6 billion yen in the comparable period last year.

In the first six months, Fujitsu's sales increased to 1.64 trillion yen from 1.48 trillion yen a year earlier. Semiconductor sales jumped nearly 14 percent, to 210 billion yen.

The company said it expected sales of semiconductors and communications equipment, amid a global boom in personal computers and mobile phones, to remain robust throughout the second half, raising its profit to a record for the year to March 31.

For the year, the company forecast a pretax profit of 170.0 billion yen on revenue of 3.75 trillion, up from 3.61 trillion

forecasts last month.

"Strong demand for semiconductors, especially for memory chips, boosted our profits," Keizo Fukagawa, Fujitsu's senior vice president, said. "Good sales of communications equipment also helped improve our profits."

(Reuters, AFX, Bloomberg)

On Display: Autos from the U.S.A.

High Profile for Detroit's Big 3 at Tokyo Auto Show

By Andrew Pollack
New York Times Service

TOKYO — In years past, American automobile executives came to the Tokyo Motor Show to see the latest competitive challenges they would be facing from Japan. But at this year's show, which opened Wednesday, American automakers will be exhibiting as much as looking.

For the first time, the Big Three are displaying numerous car and truck models to sell in Japan, beginning in 1996, with steering wheels on the right side.

Chrysler Corp. is showing four new right-hand-drive models: the Jeep Grand Cherokee, Jeep Wrangler, Neon and Voyager mini-van. Ford is showing right-hand-drive Tauruses and Explorer sport-utility vehicles. Toyota Motor Corp. dealers will sell General Motors' Chevrolet Cavalier as the Toyota Cavalier.

Until now, Detroit offered only two right-hand-drive vehicles in Japan: the Chrysler Jeep Cherokee and the Ford Probe.

The new American onslaught comes only a few months after the United States and Japan forged a trade agreement intended to increase sales of American cars and parts in Japan. It also comes as sales of imported cars are rising in Japan, helped by a price advantage resulting from the strong yen.

Detroit's new Japan-bound cars could slightly reduce the \$37 billion U.S. trade deficit with Japan in autos and parts.

Not all the benefit, how-

ever, will go to the United States. The Chrysler mini-van and Grand Cherokee will be made in Austria. GM executives said Tuesday that they expected the company's German subsidiary, Adam Opel AG, to account for 80,000 of the 100,000 cars that GM expects to sell in Japan annually by 2000. The company's president, John F. Smith Jr., said the 100,000 target would probably be raised.

American executives gave the trade deal some credit for helping open the market. Robert J. Eaton, Chrysler's chairman, called the accord "another step absolutely in the right direction." He added: "We believe the barriers will come down, and this will ultimately be an open market."

But Louis R. Hughes, executive vice president in charge of international operations for GM, said: "There's no agreement in the world that's going to legislate our growth in Japan. We're going to have to earn it." He said American companies had ignored the Japanese market until now.

That certainly seemed the case at the last Tokyo Motor Show two years ago, when Chrysler did not exhibit its brand new Neon, a subcompact designed to compete with small Japanese cars.

Chrysler said then that it had no immediate plans to sell the Neon in Japan, a statement that Japanese officials seized upon as showing the Big Three's lack of commitment to the Japanese market.

This year, the Neon is here and will go on sale in the summer. How well it will do depends on whether its quality meets Japanese standards and on its price, which Chrysler has not announced. Mr. Eaton said that the company had no interest in "undercutting anybody else."

The Neon, with a 2-liter engine, has a \$10,000 base price in the United States. If it is sold at \$15,000 in Japan, it would still be competitive. The Nissan Sunny, with a 1.6-liter engine — a car marketed as the Sentra in the United States — sells for \$15,000 in Japan.

The American car that is conspicuously absent at this year's motor show is GM's Saturn, another vehicle designed to compete with Japanese brands. GM executives said they intended to sell a right-hand-drive Saturn in Japan in 1997 but did not think they should display the car until it was ready for sale. GM executives also said they would introduce a right-hand-drive Cadillac in a couple of years.

Trade associations for both sides said they would work together to fight a clean-air mandate in California, which requires 2 percent of the cars sold in the state be smog-free by 1998. New York and Massachusetts have similar laws. U.S. executives, in Japan for the 31st annual Tokyo Motor Show, wanted to talk about measuring the success of a trade agreement the two governments reached in June. But the Japanese did not. "We do have a difference of opinion on market access in Japan," said Andrew Card Jr., president and chief executive of the American Automobile Manufacturers Association.

Chief executives of the Big Three U.S. auto makers met their counterparts at Toyota Motor Corp., Nissan Motor Co., Mazda Motor Corp., Honda Motor Co. and Mitsubishi Motors Corp.

Investor's Asia

Hong Kong	Singapore	Tokyo
Hang Seng	Straits Times	Nikkei 225
10300	2300	20000
8500	2200	18000
7500	2100	16000
6500	2000	14000
5500	1900	12000
4500	1800	10000
3500	1700	8000
2500	1600	6000
1500	1500	4000
500	500	2000
0	0	0
1995 M J J A S O	1995 M J J A S O	1995 M J J A S O
Exchange	Index	Wednesday Prev. Close
Hong Kong	Hang Seng	9,841.06 9,775.66
Singapore	Straits Times	2,104.58 2,089.44
Sydney	All Ordinaries	2,090.80 2,080.00
Tokyo	Nikkei 225	17,970.81 18,014.25
Kuala Lumpur	Composite	955.67 948.41
Bangkok	SET	1,274.52 1,276.08
Saigon	Composite Index	997.38 992.76
Taipei	Stock Market Index	Closed 4,995.79
Manila	PSE	2,544.06 2,572.40
Jakarta	Composite Index	497.18 498.02
Wellington	NZSE-40	2,194.63 2,187.85
Bombay	Sensitive Index	Closed 3,511.57

Source: Telekurs

International Herald Tribune

Very briefly:

- Australia's inflation hit its highest level since 1990 in the three months ending in September, climbing 1.2 percent from the previous quarter and 5.1 percent from the year-earlier quarter.
- People's Bank of China officials confirmed that the central bank's tight monetary policy would remain in force over the next five years, according to the Xinhua news agency.
- Daewoo Corp. has signed an accord with a Vietnamese company aimed at establishing a bus-and-taxi company in Hanoi.
- Cathay Pacific Airways Ltd. announced it would build a new headquarters in Hong Kong for 3.5 billion Hong Kong dollars (\$453 million) that will accommodate 5,000 employees.
- Carlsberg A/S of Denmark said it entered into an agreement with United Breweries to establish a joint venture in India.
- The International Monetary Fund said the Philippines would probably exceed its inflation target of no more than 7.5 percent for the year. The rate surged to 11.8 percent in September, the highest level in almost four years.
- J.P. Morgan Futures Hong Kong Ltd., a unit of J.P. Morgan & Co., has joined the Hong Kong Futures Exchange.

Bloomberg, Reuters, AFX, AFP

U.S. \$400,000,000

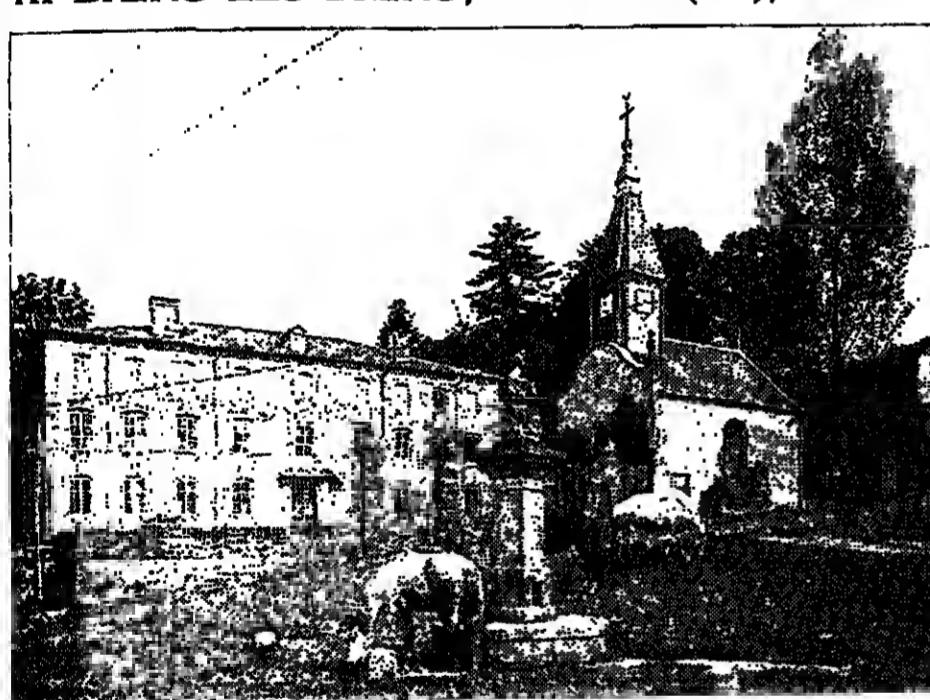
National Westminster Bank

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In accordance with the provisions of the Notes, notice is hereby given that for the six months Interest Period from October 25, 1995 to April 25, 1996 the Notes will carry an Interest Rate of 5.9375% per annum. The interest payable on the relevant interest payment date, April 25, 1996 against Coupon No. 22 will be U.S. \$301.82.

By The Chase Manhattan Bank, N.A.
London, Agent Bank
October 25, 1995

PUBLIC AUCTION CHATEAU DE LA MANUFACTURE AT BAINS-LES-BAINS, VOSGES (88), FRANCE



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October 25, 1995

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1930-1931

THURSDAY, OCTOBER 26, 1995

PAGE 23

Another Happy Ending For the Indians at Home Murray's Single Beats Braves in 11th

By Claire Smith
New York Times Service

CLEVELAND — The Cleveland Indians entered Game 3 of the World Series clinging to a life preserver known as Jacobs Field, a cozy park that has been home to many a heroic comeback for them, but nothing but horrors for visitors.

"It's a place we've played very well in the last two years," manager Mike Hargrove said, stating the obvious about a team with a 1995 regular-season record of 54-18 at home and a postseason record of 4-1 before Tuesday night's game. "I think it will mean everything in the world to me. I'm looking forward to it."

Now the Atlanta Braves know why. The National League champions, confident when they arrived here with two victories in two tries tucked away, clawed their way to a 6-5 triumph.

But this is Cleveland, where happy endings are meant for the home team. Eddie Murray, who had been 0 for 5, including three strikeouts, delivered a single in the 11th inning to score pinch-runner Alvaro Espinoza with the winning run in a 7-6 Indian victory. Carlos Baerga had left off the inning against Alejandro Pena, who had just come in, with a double and then Albert Belle had been walked intentionally.

It was the 29th time this season that the Indians had won in their final at-bat and the first time the Indians had won a game in the World Series since they beat the Boston Braves in 1948, having fallen victim to a 6-5 sweep to the Giants the last time they were in the Series, in 1954.

The dramatic victory, played before a chilled sellout crowd of 43,584 fans, allowed the Indians to avoid falling behind by 3-0 in the Series. In the 91 years in which the Series has been played, no team has ever come back to win the championship after trailing by that deficit.

Cleveland was to turn to Ken Hill, a former National Leaguer with great familiarity with the Braves, to try to tie the series at two games each on Wednesday night. The Braves were to counter with Steve Avery as Bobby Cox stuck to his plan not to push Greg Maddux — the author of a two-hitter in Game 1 — on three days' rest.

Pitching, the hot commodity in the first two games of the series, failed both teams late in the game.

The Braves' bullpen tasted what so many others have in this park — an Indians' late-game rally when Kenny Lofton scored his third run of the game in the seventh after a walk issued by Brad Clontz, a groundout, a steal of third (naturally) and an infield hit by Baerga.

That made it 5-3 and meant that Lofton had scored six of the Indians' 10 runs in the Series to that point.

But the Braves did not give up. Hargrove kept a rested bullpen panned up even after Atlanta's Marquis Grissom led off the eighth with a double. The stubborn belief in Charles Nagy backfired when Luis Polonia delivered a run-scoring single.

Hargrove brought on relief pitcher Paul Assemacher. He walked Chipper Jones. Then a long fly ball by Fred McGriff advanced both runners. A fielding error by the second baseman Baerga on a grounder by David Justice produced the Braves' fifth run.

Then, Julian Tavara, the Indians' third pitcher of the inning, delivered a run-scoring hit to the pinch-hitter Mike Devereaux and the Braves had a 6-5 lead.

Atlanta's bullpen is human, too. Greg McMichael, the setup man for Mark Wohlers, got one out in the eighth, but then gave up a single to Paul Sorrento. On came Wohlers, the

stopper in need of a big save.

Sandy Alomar hit Wohlers' first pitch into the right-field corner and the game was tied.

The 49-degree Fahrenheit

weather, which seemed like 29 degrees when buffeted by gusts of 15 to 22 miles an hour, may have chilled the Braves to the bone. But it must have seemed a needed cold slap in the faces of the Indians, whose hitters sleep-walked through two losses in Atlanta, which they scored a total of five runs.

The Indians woke up early

on. Trailing by 1-0 in the first,

the Indians wasted no time in

starting yet another of the

comebacks they are famous for

at home.

Lofton, who apparently cannot be denied a base-running opportunity, greeted John Smoltz with a leadoff single. The player who McGriff said wasn't being driven by Indians hitters because he scored too fast, scored again, moments after his hit. He had had, this time, however, coming all the way around on a triple by Omar Vizquel, only the second extra-base hit of the Series for the Indians. Vizquel scored on Baerga's grounder to first to give the Indians a 2-1 edge.

The Indians needed the runs after the way the game had started for Nagy. The Braves scored in the top of the first on a two-out double by Jones and a run-scoring single by McGriff.

The hit was the third in eight Series at-bats for Jones, a possible rookie of the year who is showing no rookie nerves.

Nagy is the most overlooked starting pitcher of the Series thus far. He is a 16-game winner, but has been stacked up not only behind Atlanta's Cy Young winners (Greg Maddux, Tom Glavine), but also behind one of his own team (Orel Hershiser). Then there was the major leagues' active leader in victories (Dennis Martinez) and a former strikeout king in Smoltz.

Cleveland scored twice more in the third inning to finish off Smoltz and put Atlanta's little-used middle relievers back in business.

Belle, the cleanup hitter who had been encouraged by his teammates to break a bat, a telephone, anything, broke his slump, contributing a run-scoring single in the third, as the Indians leapt to a 4-1 lead.

Baerga broke an 0-for-8 Series

streak with a run-scoring single. When Belle followed Baerga with his run-scoring single, the Indians had their third multiple-run inning of the Series, but their second of the night.

Nagy carried a four-hitter into the middle innings. The Braves did not score again until the sixth, when McGriff collected a solo home run, his drive riding the wind into the right-field seats to make it 4-2. A homer by Ryan Klesko in the seventh put the Braves within one run.

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Nagy pitched to 2 batters in the 8th. Alpene pitched to 2 batters in the 11th.

Inherited runners-scored—Clintz 3-4; Merce

1-0; McMichael 2-0; Wohlers 2-1; Assemacher

1-1; Tavara 2-1; 123—off Wohlers (Lofton) 2

off Pena (Belle) 1.

Umpires—Home, Preseong; First,

Hirschbeck; Second, Brinkman;

Left, Wendt; Right, McKinnon.

Indians 7, Braves 6

Atlanta AB R H BI BB SO DP Avg.

Grissom cf 6 1 2 0 0 2 2 .200

Poole ss 4 1 1 1 1 1 1 .200

Castro 2b 3 1 1 1 0 1 1 .222

McGriff ph 5 0 1 1 0 1 0 .222

Klesko dh 3 1 2 1 0 1 0 .250

B-Dewar, ph 2 0 1 1 0 1 0 .250

Braves 2b 2 0 0 1 0 1 0 .000

Bellorff ss 2 0 0 0 0 0 0 .000

D-Wells ph 1 0 0 0 0 0 0 .000

Morello as 1 0 0 0 0 0 0 .000

Total 47 12 7 1 0 1 0 .250

Atlanta 100 641 136 .984-6 12 1

Cleveland 202 908 110 .971-7 12 2

(No outs when winning run scored)

o-grounded for Bellorff in the 7th.

b-single for Klesko in the 8th.

1-run for Baerga in the 11th.

E—Bellorff, G—Castro, 1B—Tavara, 2B—Jones, 3B—Lofton, 4B—McGriff, 5B—Klesko, 6B—B-Dewar, 7B—Bellorff, 8B—Wohlers, 9B—Pena, 10B—Belle, 11B—McGiff, 12B—Castro, 13B—Lofton, 14B—Jones, 15B—Tavara, 16B—McGriff, 17B—Klesko, 18B—Bellorff, 19B—B-Dewar, 20B—Wohlers, 21B—Pena, 22B—Belle, 23B—Lofton, 24B—McGriff, 25B—Klesko, 26B—Bellorff, 27B—B-Dewar, 28B—Wohlers, 29B—Pena, 30B—Belle, 31B—McGriff, 32B—Klesko, 33B—Bellorff, 34B—Lofton, 35B—Jones, 36B—Tavara, 37B—McGriff, 38B—Klesko, 39B—Bellorff, 40B—B-Dewar, 41B—Wohlers, 42B—Pena, 43B—Belle, 44B—McGriff, 45B—Klesko, 46B—Bellorff, 47B—Lofton, 48B—Jones, 49B—Tavara, 50B—McGriff, 51B—Klesko, 52B—Bellorff, 53B—Lofton, 54B—Jones, 55B—Tavara, 56B—McGriff, 57B—Klesko, 58B—Bellorff, 59B—Lofton, 60B—Jones, 61B—Tavara, 62B—McGriff, 63B—Klesko, 64B—Bellorff, 65B—Lofton, 66B—Jones, 67B—Tavara, 68B—McGriff, 69B—Klesko, 70B—Bellorff, 71B—Lofton, 72B—Jones, 73B—Tavara, 74B—McGriff, 75B—Klesko, 76B—Bellorff, 77B—Lofton, 78B—Jones, 79B—Tavara, 80B—McGriff, 81B—Klesko, 82B—Bellorff, 83B—Lofton, 84B—Jones, 85B—Tavara, 86B—McGriff, 87B—Klesko, 88B—Bellorff, 89B—Lofton, 90B—Jones, 91B—Tavara, 92B—McGriff, 93B—Klesko, 94B—Bellorff, 95B—Lofton, 96B—Jones, 97B—Tavara, 98B—McGriff, 99B—Klesko, 100B—Bellorff, 101B—Lofton, 102B—Jones, 103B—Tavara, 104B—McGriff, 105B—Klesko, 106B—Bellorff, 107B—Lofton, 108B—Jones, 109B—Tavara, 110B—McGriff, 111B—Klesko, 112B—Bellorff, 113B—Lofton, 114B—Jones, 115B—Tavara, 116B—McGriff, 117B—Klesko, 118B—Bellorff, 119B—Lofton, 120B—Jones, 121B—Tavara, 122B—McGriff, 123B—Klesko, 124B—Bellorff, 125B—Lofton, 126B—Jones, 127B—Tavara, 128B—McGriff, 129B—Klesko, 130B—Bellorff, 131B—Lofton, 132B—Jones, 133B—Tavara, 134B—McGriff, 135B—Klesko, 136B—Bellorff, 137B—Lofton, 138B—Jones, 139B—Tavara, 140B—McGriff, 141B—Klesko, 142B—Bellorff, 143B—Lofton, 144B—Jones, 145B—Tavara, 146B—McGriff, 147B—Klesko, 148B—Bellorff, 149B—Lofton, 150B—Jones, 151B—Tavara, 152B—McGriff, 153B—Klesko, 154B—Bellorff, 155B—Lofton, 156B—Jones, 157B—Tavara, 158B—McGriff, 159B—Klesko, 160B—Bellorff, 161B—Lofton, 162B—Jones, 163B—Tavara, 164B—McGriff, 165B—Klesko, 166B—Bellorff, 167B—Lofton, 168B—Jones, 169B—Tavara, 170B—McGriff, 171B—Klesko, 172B—Bellorff, 173B—Lofton, 174B—Jones, 175B—Tavara, 176B—McGriff, 177B—Klesko, 178B—Bellorff, 179B—Lofton, 180B—Jones, 181B—Tavara, 182B—McGriff, 183B—Klesko, 184B—Bellorff, 185B—Lofton, 186B—Jones, 187B—Tavara, 188B—McGriff, 189B—Klesko, 190B—Bellorff, 191B—Lofton, 192B—Jones, 193B—Tavara, 194B—McGriff, 195B—Klesko, 196B—Bellorff, 197B—Lofton, 198B—Jones, 199B—Tavara, 200B—McGriff, 201B—Klesko, 202B—Bellorff, 203B—Lofton, 204B—Jones, 205B—Tavara, 206B—McGriff, 207B—Klesko, 208B—Bellorff, 209B—Lofton, 210B—Jones, 211B—Tavara, 212B—McGriff, 213B—Klesko, 214B—Bellorff, 215B—Lofton, 216B—Jones, 217B—Tavara, 218B—McGriff, 219B—Klesko, 220B—Bellorff, 221B—Lofton, 222B—Jones, 223B—Tavara, 224B—McGriff, 225B—Klesko, 226B—Bellorff, 227B—Lofton, 228B—Jones, 229B—Tavara, 230B—McGriff, 231B—Klesko, 232B—Bellorff, 233B—Lofton, 234B—Jones, 235B—Tavara, 236B—McGriff, 237B—Klesko, 238B—Bellorff, 239B—Lofton, 240B—Jones, 241B—Tavara, 242B—McGriff, 243B—Klesko, 244B—Bellorff, 245B—Lofton, 246B—Jones, 247B—Tavara, 248B—McGriff, 249B—Klesko, 250B—Bellorff, 251B—Lofton, 252B—Jones, 253B—Tavara, 254B—McGriff, 255B—Klesko, 256B—Bellorff, 257B—Lofton, 258B—Jones, 259B—Tavara, 260B—McGriff, 261B—Klesko, 262B—Bellorff, 263B—Lofton, 264B—Jones, 265B—Tavara, 266B—McGriff, 267B—Klesko, 268B—Bellorff, 269B—Lofton, 270B—Jones, 271B—Tavara, 272B—McGriff, 273B—Klesko, 274B—Bellorff, 275B—Lofton, 276B—Jones, 277B—Tavara, 278B—McGriff, 279B—Klesko, 280B—Bellorff, 281B—Lofton, 282B—Jones, 283B—Tavara, 284B—McGriff, 285B—Klesko, 286B—Bellorff, 287B—Lofton, 288B—Jones, 289B—Tavara, 290B—McGriff, 291B—Klesko, 292B—Bellorff, 293B—Lofton, 294B—Jones, 295B—Tavara, 296B—McGriff, 297B—Klesko, 298B—Bellorff, 299B—Lofton, 300B—Jones, 301B—Tavara, 302B—McGriff, 303B—Klesko, 304B—Bellorff, 305B—Lofton, 306B—Jones, 307B—Tavara, 308B—McGriff, 309B—Klesko, 310B—Bellorff, 311B—Lofton, 312B—Jones, 313B—Tavara, 314B—McGriff, 315B—Klesko, 316B—Bellorff, 317B—Lofton, 318B—Jones, 319B—Tavara, 320B—McGriff, 321B—Klesko, 322B—Bellorff, 323B—Lofton, 324B—Jones, 325B—Tavara, 326B—McGriff, 327B—Klesko, 328B—Bellorff, 329B—Lofton, 330B—Jones, 331B—Tavara, 332B—McGriff, 333B—Klesko, 334B—Bellorff, 335B—Lofton, 336B—Jones, 337B—Tavara, 338B—McGriff, 339B—Klesko, 340B—Bellorff, 341B—Lofton, 342B—Jones, 343B—Tavara, 344B—McGriff, 345B—Klesko, 346B—Bellorff, 347B—Lofton, 348B—Jones, 349B—Tavara, 350B—McGriff, 351B—Klesko, 352B—Bellorff, 353B—Lofton, 354B—Jones, 355B—Tavara, 356B—McGriff, 357B—Klesko, 358B—Bellorff, 359B—Lofton, 360B—Jones, 361B—Tavara, 362B—McGriff, 363B—Klesko, 364B—Bellorff, 3

ART BUCHWALD

Blame It on Vince

WASHINGTON — Professor James Geddes of Belching University has just done a study on rudeness and has come to the conclusion that people are getting more ill-mannered than ever before.

"We see it in the sports arenas, the political theater and on the streets of our towns. Except for the sales clerks at Nordstrom's, no one says 'thank you' any more."

"Why should I?" I said.

"Nobody thanks me for saying 'thank you'."

Professor Geddes said, "You're not going to believe this, but I blame all our troubles on Vince Lombardi."

"Why?" I asked.

"He kept saying 'Winning is everything.' As soon as the American people bought his philosophy, the country slid downhill. The kids developed a vengeful attitude toward sports, dirty tricks became acceptable, and no athlete without a \$10 million sneaker contract was admired. We live in an age when parents keep urging their



children, 'Be a poor sport so that people will respect you.'"

□

"I remember the day when Little League baseball became a concert sport," I sighed.

Professor Geddes said, "When the kids grew up, they became part of the big, mean, baby-boomer society. If you ran for public office, you were urged by your campaign manager to kick the other guy in the groin. In business you never gave another guy an even break, and a handshake to close a deal was followed by a lawsuit, and a half-million-dollar legal fee."

"People even lied to their ministers," I told him.

"And their doctors. Only suckers told the truth and successful people wanted nothing to do with them."

"Talk show hosts hasn't made us better people," I said. "A lot of radio station owners maintain the public believes that if their radio announcers don't spit out snake venom, they should stay the heck off the air."

"Let's not forget vindictive store clerks who charge you sales tax when you're sending something out of state."

"And over-the-counter drug companies who charge you \$15 for two aspirin."

□

I asked my friend, James, "Do you believe that we will never be able to stop the rot?"

"Not in this generation — maybe the next. Perhaps some great football coach in the future will say, 'Winning is good, but it isn't everything.' Maybe once again people will say things like 'Nice guys may finish last, but they sleep better at night.' It isn't bow you play runny — what really counts is if you smile when your grandmother yells, 'Gin'."

Carousel Garden Is Opened in Paris

Reuters

PARIS — One of the final pieces of former President François Mitterrand's architectural plan for Paris fell into place with the opening of the Carousel garden next to the Louvre museum.

Culture Minister Philippe Douste-Blazy cut a ribbon across a path leading to lawns dotted with sculptures by Aristide Maillol.

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"And over-the-counter drug

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